

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

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES

☒ EX
CHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

Commission file number 1-9861

M&T BANK CORPORATION

(Exact name of registrant as specified in its charter)

New York

(State of incorporation)

16-0968385

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

One M&T Plaza

,

Buffalo

,

New York

(Address of principal executive offices)

14203

(Zip Code)

Registrant's telephone number, including area code:

716 - 635-4000

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Trading Symbols

Name of Each Exchange on Which Registered

Common Stock, \$0.50 par value

MTB

New York Stock Exchange

Perpetual Fixed-to-Floating Rate

Non-Cumulative Preferred Stock, Series H

MTBPrH

New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

☒

Accelerated filer

☐

Non-accelerated filer

☐

Smaller reporting company

☐

Emerging growth company

☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Aggregate market value of the Common Stock, \$0.50 par value, held by non-affiliates of the registrant, computed by reference to the closing price as of the close of business on June 30, 2023: \$

19,900,658,494

Number of shares of the Common Stock, \$0.50 par value, outstanding as of the close of business on February 16, 2024:

166,624,291
shares.

Documents Incorporated By Reference:

- (1) Portions of the Proxy Statement for the 2024 Annual Meeting of Shareholders of M&T Bank Corporation in Parts II and III.
Auditor Firm Id: 238 Auditor Name: PricewaterhouseCoopers LLP Auditor Location: Buffalo, NY, United States

M&T BANK CORPORATION
Form 10-K for the year ended December 31, 2023
CROSS-REFERENCE SHEET

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Glossary of Terms

The following listing includes acronyms and terms used throughout the document.

Term	Definition
AML	Anti-Money Laundering
AMLA	Anti-Money Laundering Act of 2020
Basel III	Basel Committee's December 2010 final capital framework for strengthening international capital standards
Bayview Financial	Bayview Financial Holdings, L.P. together with its affiliates
BHC	Bank holding company
BHCA	Bank Holding Company Act of 1956, as amended
BLG	Bayview Lending Group, LLC
BSA	Bank Secrecy Act
Capital Rules	Capital adequacy standards established by the federal banking agencies
CCyB	Countercyclical capital buffer
CET1	Common Equity Tier 1
CFPB	Consumer Financial Protection Bureau
CISO	Chief Information Security Officer
CIT	Collective Investment Trust
Common Securities	Common securities issued in connection with the issuance of Junior Subordinated Debentures
Company	M&T Bank Corporation and its consolidated subsidiaries
COVID-19	Coronavirus disease 2019
CRA	Community Reinvestment Act of 1977
DIF	Deposit Insurance Fund
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
DUS	Delegated Underwriting and Servicing
EGRRCPA	Economic Growth, Regulatory Relief, and Consumer Protection Act
Exchange Act	Securities Exchange Act of 1934
FASB	Financial Accounting Standards Board
FDIA	Federal Deposit Insurance Act
FDIC	Federal Deposit Insurance Corporation
Federal Reserve	Board of Governors of the Federal Reserve System
FHC	Financial Holding Company
FHLB	Federal Home Loan Bank
FINRA	Financial Industry Regulatory Authority
FOMC	Federal Open Market Committee
FRB	Federal Reserve Bank
GAAP	Accounting principles generally accepted in the U.S.
GDP	Gross Domestic Product
IDI	Insured depository institution
Incentive Compensation Guidance	Comprehensive guidance on incentive compensation issued by the Federal Reserve
Junior Subordinated Debentures	Fixed and variable rate junior subordinated deferrable interest debentures
LCR	Liquidity Coverage Ratio
LIBOR	London Interbank Offered Rate
LTV	Loan-to-value

Term	Definition
M&T	M&T Bank Corporation
M&T Bank	Manufacturers and Traders Trust Company
M&T Realty Capital	M&T Realty Capital Corporation
M&T Securities	M&T Securities, Inc.
MLCR Committee	Market Liquidity Capital Risk Committee of M&T
MTIA	M&T Insurance Agency, Inc.
NSFR	Net stable funding ratio
NYSDFS	New York State Department of Financial Services
NYSE	New York Stock Exchange
OAS	Option adjusted spread
OCC	Office of the Comptroller of the Currency
OFAC	U.S. Department of the Treasury's Office of Foreign Assets Control
OLF	Orderly Liquidation Fund
PCD	Purchased credit deteriorated
People's United	People's United Financial, Inc.
PPP	Paycheck Protection Program
Preferred Capital Securities	Preferred capital securities issued in connection with the issuance of Junior Subordinated Debentures
Protocol	IBOR Fallback Protocol
PUA	People's United Advisors, Inc.
Registrant	The issuer of the securities for which the registration statement is filed
Risk Framework	Enterprise Risk Framework
RWA	Risk-weighted assets
SBA	Small Business Administration
SCB	Stress capital buffer
SEC	Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
Security Program	Information Security and Business Continuity Program
Series H Preferred Stock	Series H Perpetual Fixed-to-Floating Rate Non-cumulative Preferred Stock
Series I Preferred Stock	Series I Perpetual Fixed-Rate Reset Non-cumulative Preferred Stock
SLR	Supplementary leverage ratio
SOFR	Secured Overnight Financing Rate
Supplement	IBOR Fallbacks Supplement
Tailoring Rules	Rules adopted by the OCC, Federal Reserve, and FDIC assigning each U.S. BHC with \$100 billion or more in total consolidated assets to one of four categories based on size and other risk-based indicators for purposes of determining the applicability of regulatory capital and liquidity requirements and enhanced prudential standards issued by the Federal Reserve
U.S.	United States of America
VRDB	Variable rate demand bonds
Wilmington Funds Management	Wilmington Funds Management Corporation
Wilmington Trust, N.A.	Wilmington Trust National Association
WTAM	Wilmington Trust Asset Management, LLC
WTIM	Wilmington Trust Investment Management, LLC
WT Investment Advisors	Wilmington Trust Investment Advisors, Inc.

PART I

Item 1. *Business.*

M&T is a New York business corporation which is registered as a FHC under the BHCA 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. As of December 31, 2023, the Company had consolidated total assets of \$208.3 billion, deposits of \$163.3 billion and shareholders' equity of \$27.0 billion. The Company had 21,736 full-time and 487 part-time employees as of December 31, 2023.

At December 31, 2023, M&T had two wholly owned bank subsidiaries: M&T Bank and Wilmington Trust, N.A. The banks collectively offer a wide range of retail and commercial banking, trust and wealth management, and investment services to their customers. At December 31, 2023, M&T Bank represented over 99% of consolidated assets of the Company.

On April 1, 2022, M&T completed the acquisition of People's United. Through its subsidiaries, People's United provided commercial banking, retail banking and wealth management services to individual, corporate and municipal customers through a network of branches located in Connecticut, southeastern New York, Massachusetts, Vermont, New Hampshire and Maine. Following the acquisition, People's United Bank, National Association, a national banking association and a wholly owned subsidiary of People's United, merged with and into M&T Bank, with M&T Bank as the surviving entity. The acquisition of People's United expanded the Company's geographical footprint and management expects the Company will benefit from greater geographical diversity and the advantages of scale associated with being a larger company.

The Company from time to time considers acquiring banks, thrift institutions, branch offices of banks or thrift institutions, or other businesses within markets currently served by the Company or in other locations that would complement the Company's business or its geographic reach. The Company has pursued acquisition opportunities in the past, reviews different opportunities from time to time and intends to continue this practice.

Subsidiaries

M&T Bank is a banking corporation that is incorporated under the laws of the State of New York. M&T Bank is a member of the Federal Reserve System and the FHLB System, and its deposits are insured by the FDIC through its DIF up to applicable limits. M&T acquired all of the issued and outstanding shares of the capital stock of M&T Bank in December 1969. The stock of M&T Bank represents a major asset of M&T. M&T Bank operates under a charter granted by the State of New York in 1892, and the continuity of its banking business is traced to the organization of the Manufacturers and Traders Bank in 1856. The principal executive offices of M&T Bank are located at One M&T Plaza, Buffalo, New York 14203. As of December 31, 2023, M&T Bank had 961 domestic banking offices located in New York State, Maryland, New Jersey, Pennsylvania, Delaware, Connecticut, Massachusetts, Maine, Vermont, New Hampshire, Virginia, West Virginia, and the District of Columbia and a full-service commercial banking office in Ontario, Canada. As of December 31, 2023, M&T Bank had consolidated total assets of \$207.8 billion, deposits of \$167.3 billion and shareholder's equity of \$25.7 billion. As a commercial bank, M&T Bank offers a broad range of financial services to a diverse base of consumers, businesses, professional clients, governmental entities and financial institutions located in its markets. Lending is largely focused on consumers residing in areas where M&T Bank maintains banking offices, and on small and medium-size businesses based in those areas, although loans are originated through offices in other states and in Ontario, Canada. In addition, the Company conducts lending activities in various states through other subsidiaries. Trust and other fiduciary services are offered by M&T Bank and through its wholly owned subsidiary, Wilmington Trust Company. M&T Bank and certain of its subsidiaries also offer commercial mortgage loans secured by income producing properties or properties used by borrowers.

in a trade or business. Additional financial services are provided through other operating subsidiaries of the Company.

Wilmington Trust, N.A., a national banking association and a member of the Federal Reserve System and the FDIC, commenced operations in October 1995. The deposit liabilities of Wilmington Trust, N.A. are insured by the FDIC through its DIF. The main office of Wilmington Trust, N.A. is located at 1100 North Market Street, Wilmington, Delaware 19890. Wilmington Trust, N.A. offers various trust and wealth management services. As of December 31, 2023, Wilmington Trust, N.A. had total assets of \$683 million, deposits of \$6 million and shareholder's equity of \$582 million.

M&T Securities is a wholly owned subsidiary of M&T that was incorporated as a New York business corporation in November 1985. M&T Securities is registered as a broker/dealer under the Exchange Act. It provides institutional brokerage and securities services. As of December 31, 2023, M&T Securities had total assets of \$56 million and shareholder's equity of \$55 million. M&T Securities recorded \$13 million of revenue in 2023. The headquarters of M&T Securities are located at One Light Street, Baltimore, Maryland 21202.

Wilmington Funds Management is a wholly owned subsidiary of M&T that was incorporated in September 1981 as a Delaware corporation. Wilmington Funds Management is registered as an investment advisor under the Investment Advisors Act and serves as an investment advisor to the Wilmington Funds. Wilmington Funds Management had total assets of \$16 million and shareholder's equity of \$15 million as of December 31, 2023. Wilmington Funds Management recorded revenues of \$31 million in 2023. The headquarters of Wilmington Funds Management are located at 1100 North Market Street, Wilmington, Delaware 19890.

WTIM is a wholly owned subsidiary of M&T and was incorporated in December 2001 as a Georgia limited liability company. WTIM is a registered investment advisor under the Investment Advisors Act of 1940 and provides investment management services to wealth clients. As of December 31, 2023, WTIM had total assets and shareholder's equity of \$5 million. WTIM recorded revenues of \$2 million in 2023. WTIM's headquarters is located at Terminus 27th Floor, 3280 Peachtree Road N.E., Atlanta, Georgia 30305.

WTAM is a wholly owned subsidiary of M&T and was incorporated in February 2023 as a Delaware limited liability company. WTAM is a registered investment advisor under the Investment Advisors Act and provides investment management services to certain private funds. As of December 31, 2023, WTAM had total assets and shareholder's equity of \$3 million. WTAM recorded revenues of less than \$1 million in 2023. WTAM's headquarters is located at 1100 North Market Street, Wilmington, Delaware 19890.

Wilmington Trust Company, a wholly owned subsidiary of M&T Bank, was incorporated as a Delaware bank and trust company in March 1901 and amended its charter in July 2011 to become a nondepository trust company. Wilmington Trust Company provides a variety of Delaware based trust, fiduciary and custodial services to its clients. As of December 31, 2023, Wilmington Trust Company had total assets of \$1.1 billion and shareholder's equity of \$757 million. Revenues of Wilmington Trust Company were \$142 million in 2023. The headquarters of Wilmington Trust Company are located at 1100 North Market Street, Wilmington, Delaware 19890.

M&T Realty Capital, a wholly owned subsidiary of M&T Bank, was incorporated as a Maryland corporation in October 1973. M&T Realty Capital engages in multifamily commercial real estate lending and provides loan servicing to purchasers of the loans it originates. As of December 31, 2023, M&T Realty Capital serviced or sub-serviced \$28.0 billion of commercial mortgage loans for non-affiliates and had total assets of \$1.2 billion and shareholder's equity of \$175 million. M&T Realty Capital recorded revenues of \$192 million in 2023. The headquarters of M&T Realty Capital are located at One Light Street, Baltimore, Maryland 21202.

WT Investment Advisors, a wholly owned subsidiary of M&T Bank, was incorporated as a Maryland corporation in June 1995. WT Investment Advisors, a registered investment advisor under

the Investment Advisors Act, serves as an investment advisor to the Wilmington Funds, a family of proprietary mutual funds, and institutional clients. As of December 31, 2023, WT Investment Advisors had total assets of \$28 million and shareholder's equity of \$17 million. WT Investment Advisors recorded revenues of \$43 million in 2023. The headquarters of WT Investment Advisors are located at 1100 North Market Street, Wilmington, Delaware 19890.

Following the acquisition of People's United on April 1, 2022, M&T Bank's subsidiaries also include PUA, a Connecticut corporation formed in 2018 that provides investment advisory services and financial management and planning services. As of December 31, 2023, PUA had total assets and shareholder's equity of \$15 million. PUA recorded revenues of \$6 million in 2023. Other subsidiaries of M&T Bank obtained in the People's United acquisition include entities that provide equipment leasing and financing services throughout the United States. Those subsidiaries are: LEAF Commercial Capital, Inc., a Delaware corporation incorporated in 2010, M&T Capital and Leasing Corp. (formerly known as People's Capital and Leasing Corp.) a Connecticut corporation formed in 1997, and M&T Equipment Finance Corp. (formerly known as People's United Equipment Finance Corp.), a Texas corporation formed in 1989. The combined total assets and shareholder's equity of the three entities was \$6.6 billion and \$440 million, respectively, at December 31, 2023. The combined revenues of the equipment leasing and financing services subsidiaries were \$449 million for the year ended December 31, 2023.

M&T and its banking subsidiaries have a number of other special-purpose or inactive subsidiaries. These other subsidiaries did not represent, individually and collectively, a significant portion of the Company's consolidated assets, net income and shareholders' equity at December 31, 2023.

Segment Information, Principal Products/Services and Foreign Operations

Information about the Company's business segments is included in note 23 of Notes to Financial Statements filed herewith in Part II, Item 8, "Financial Statements and Supplementary Data" and is further discussed in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." In the fourth quarter of 2023, the Company completed modifications to its internal profitability reporting system to conform its internal management reporting with certain organizational changes that resulted in the realignment of its business operations into three reportable segments: Commercial Bank, Retail Bank, and Institutional Services and Wealth Management. Prior period reportable segment results have been presented in conformity with the new segment reporting structure. The Company's international activities are discussed in note 18 of Notes to Financial Statements filed herewith in Part II, Item 8, "Financial Statements and Supplementary Data."

The only activities that, as a class, contributed 10% or more of the sum of consolidated interest income and other income in any of the last three years were interest on loans each year, interest on deposits at banks in 2023 and trust income in 2021. The amount of income from such sources during those years is recorded in various business segments and is set forth in the Company's Consolidated Statement of Income and Notes to Financial Statements filed herewith in Part II, Item 8, "Financial Statements and Supplementary Data."

Supervision and Regulation of the Company

M&T and its subsidiaries are subject to the comprehensive regulatory framework applicable to BHCs and FHCs and their subsidiaries. Regulation of financial institutions such as M&T and its subsidiaries is intended primarily for the protection of depositors, the FDIC's DIF and the banking and financial system as a whole, and generally is not intended for the protection of shareholders, investors or creditors other than insured depositors.

Proposals to change the applicable regulatory framework may be introduced in the U.S. Congress and state legislatures, as well as by regulatory agencies. Such initiatives may include proposals to

expand or contract the powers of BHCs and depository institutions or proposals to substantially change the financial institution regulatory system. Such legislation could change banking statutes and the operating environment of the Company in substantial and unpredictable ways. If enacted, such legislation could increase or decrease the cost of doing business, limit or expand permissible activities or affect the competitive balance among banks, savings associations, credit unions, and other financial institutions. A change in statutes, regulations or regulatory policies applicable to M&T or any of its subsidiaries could have a material effect on the business, financial condition or results of operations of the Company.

Described hereafter are material elements of the significant federal and state laws and regulations applicable to M&T and its subsidiaries.

Overview

M&T is registered with the Federal Reserve as a FHC and BHC under the BHCA. As such, M&T and its subsidiaries are subject to the supervision, examination, reporting, capital and other requirements of the BHCA and the regulations of the Federal Reserve. In addition, M&T's banking subsidiaries are subject to regulation, supervision and examination by, as applicable, the NYSDFS, the OCC, the FDIC and the Federal Reserve, and their consumer financial products and services are regulated by the CFPB. Further, financial services entities such as M&T's investment advisor and broker-dealer subsidiaries are subject to regulation by the SEC, FINRA, and Securities Investor Protection Corporation, among others. Certain other subsidiaries are subject to regulation by other federal and state regulators as well.

M&T Bank is a New York chartered bank and a member of the Federal Reserve System. As a result, it is subject to extensive regulation, examination and oversight by the NYSDFS and the FRB of New York. New York laws and regulations govern many aspects of M&T Bank's operations, including branching, dividends, subsidiary activities, fiduciary activities, lending, and deposit taking. M&T Bank is also subject to Federal Reserve regulations and guidance, including with respect to capital levels. Its deposits are insured by the FDIC, subject to certain limitations, which also exercises regulatory oversight over certain aspects of M&T Bank's operations.

Wilmington Trust, N.A. is a national bank with operations that include fiduciary and related activities with limited lending and deposit business. It is subject to extensive regulation, examination and oversight by the OCC which governs many aspects of its operations, including fiduciary activities, capital levels, office locations, dividends and subsidiary activities. Its deposits are insured by the FDIC, subject to certain limitations, which also exercises regulatory oversight over certain aspects of the operations of Wilmington Trust, N.A.

Permissible Activities under the BHCA

In general, the BHCA limits the business of a BHC to banking, managing or controlling banks, and other activities that the Federal Reserve has determined to be so closely related to banking as to be a proper incident thereto. In addition, BHCs are obligated by a Federal Reserve policy to serve as a managerial and financial source of strength to their subsidiary depository institutions, including committing resources to support such subsidiaries. This support may be required at times when M&T may not be inclined or able to provide it. In addition, any capital loans by a BHC to a subsidiary bank are subordinate in right of payment to deposits and to certain other indebtedness of such subsidiary bank. In the event of a BHC's bankruptcy, any commitment by the BHC to a federal bank regulatory agency to maintain the capital of a subsidiary bank will be assumed by the bankruptcy trustee and entitled to a priority of payment.

A BHC that qualifies and elects to be a FHC may engage in any activity, or acquire and retain the shares of a company engaged in any activity, that is either (i) financial in nature or incidental to such financial activity (as determined by the Federal Reserve, by regulation or order, in consultation with the Secretary of the Treasury) or (ii) complementary to a financial activity and does not pose a

substantial risk to the safety and soundness of depository institutions or the financial system generally (as solely determined by the Federal Reserve). Activities that are financial in nature include securities underwriting and dealing, insurance underwriting and merchant banking.

M&T elected to become a FHC in March 2011. To maintain FHC status, a FHC and all of its depository institution subsidiaries must be “well capitalized” and “well managed.” The failure to meet such requirements could result in material restrictions on the activities of M&T and may also adversely affect M&T’s ability to enter into certain transactions, including acquisitions, or obtain necessary approvals in connection with those transactions, as well as loss of FHC status. Additionally, if each of the Company’s depository institution subsidiaries has not received at least a “satisfactory” rating on its most recent examination under the CRA, the Company would not be able to commence any new financial activities or acquire a company that engages in such activities, although it would still be allowed to engage in activities closely related to banking and make investments in the ordinary course of conducting banking activities. For a further discussion of the CRA, see the section captioned “CRA” included herein.

Enhanced Prudential Standards

Under Section 165 of the Dodd-Frank Act, as amended by the EGRRCPA, U.S. BHCs with total consolidated assets of \$100 billion or more, including M&T, are subject to enhanced prudential standards. The enhanced prudential standards include risk-based capital and leverage requirements, liquidity standards, risk management and risk committee requirements, stress testing requirements and a debt-to-equity limit for companies that the Financial Stability Oversight Council has determined would pose a grave threat to systemic financial stability were they to fail such limits. Tailoring Rules adopted by the Federal Reserve and other federal bank regulators in 2019 assign each U.S. BHC with \$100 billion or more in total consolidated assets, as well as its bank subsidiaries, to one of four categories based on its size and five other risk-based indicators: (i) cross-jurisdictional activity, (ii) weighted short-term wholesale funding, (iii) non-bank assets, (iv) off-balance sheet exposure, and (v) status as a U.S. global systemically important BHC. Under the Tailoring Rules, M&T and its depository institution subsidiaries are subject to Category IV standards, which apply to banking organizations with at least \$100 billion in total consolidated assets that do not meet any of the thresholds specified for Categories I through III. The threshold for Category III is \$250 billion or more in total consolidated assets, or \$100 billion or more in total consolidated assets and at least \$75 billion in weighted short-term wholesale funding, non-bank assets or off-balance sheet exposures.

Under the Tailoring Rules, Category IV firms, among other things, (i) are not subject to any LCR or NSFR (or, in certain cases, are subject to reduced requirements), (ii) remain eligible to opt-out of the requirement to recognize most elements of accumulated other comprehensive income in regulatory capital, (iii) are no longer subject to company-run stress testing requirements, (iv) are subject to supervisory stress testing on at least a biennial basis rather than an annual basis, (v) are subject to requirements to develop and maintain a capital plan on an annual basis and (vi) are subject to certain liquidity risk management and risk committee requirements. The Federal Reserve may impose more stringent requirements (e.g. frequency of supervisory stress tests or capital plan submissions) based on a company’s financial condition, size, complexity, risk profile, scope of operations or activities, or risks to the U.S. economy. Category IV firms are not subject to (i) advanced approaches capital requirements, (ii) the SLR and (iii) the CCyB. Other elements of the Tailoring Rules are discussed in further detail throughout this section. Compared with Category IV firms, Category III firms are subject to the LCR and NSFR, company-run stress testing requirements, annual (instead of biennial) supervisory stress tests, the SLR and the CCyB.

On July 27, 2023, the Federal Reserve, the FDIC and the OCC proposed revisions to the capital framework applicable to BHCs and their depository institution subsidiaries with \$100 billion or more in assets, such as M&T. The proposed rule would introduce a new approach for calculating risk-based

capital requirements and generally align the calculation of RWA and regulatory capital for firms in all four categories. Category IV firms would become subject to the SLR and CCyB and would no longer be eligible to opt-out of the requirement to recognize most elements of accumulated other comprehensive income in regulatory capital. Those firms would be required to include all accumulated other comprehensive income components in regulatory capital, except gains and losses on cash flow hedges. Those adjustments recognized in accumulated other comprehensive income, among other items, would include unrealized losses on available-for-sale debt securities and any amounts recorded in accumulated other comprehensive income attributed to defined benefit postretirement plans. The inclusion of accumulated other comprehensive income components in regulatory capital would be subject to a phase-in period beginning July 1, 2025 until June 30, 2028, with full inclusion of required accumulated other comprehensive income components starting July 1, 2028. For further discussion of the proposed revisions to the capital framework, see the section captioned “Capital Requirements” included herein.

Capital Requirements

M&T and its subsidiary banks are required to comply with applicable Capital Rules, which are based on Basel III. The Capital Rules include both risk-based requirements, which compare three measures of capital to RWA, as well as leverage requirements, which, in the case of Category IV BHCs such as M&T, consist of the Tier 1 leverage ratio described below. Pursuant to the Capital Rules, the minimum capital ratios are as follows:

- 4.5% CET1 to RWA;
- 6.0% Tier 1 capital (that is, CET1 plus Additional Tier 1 capital) to RWA;
- 8.0% Total capital (that is, Tier 1 plus Tier 2 capital) to RWA; and
- 4.0% Tier 1 capital to average consolidated assets (the “leverage ratio”).

In calculating risk-based capital ratios, M&T must assign risk weights to the Company's assets and off-balance sheet items. M&T has an ongoing process to review data elements associated with these exposures that from time to time may affect how specific exposures are classified and could lead to increases or decreases of the regulatory risk weights assigned to such exposures.

The Capital Rules also require firms to maintain a “buffer,” consisting solely of CET1 capital, in addition to the minimum risk-based requirements. Failure to satisfy the buffer requirement in full results in graduated constraints on capital distributions and discretionary executive compensation. The severity of the constraints depends on the amount of the shortfall and the firm's “eligible retained income,” defined as the greater of (i) net income for the four preceding quarters net of distributions and associated tax effects not reflected in net income and (ii) the average of net income over the preceding four quarters.

As a Category IV BHC, M&T's buffer requirement, referred to as the SCB, is determined through the Federal Reserve's supervisory stress tests, discussed below. For M&T's bank subsidiaries, the buffer requirement consists of the static capital conservation buffer equal to 2.5% of RWA.

CET1 consists of common stock instruments that meet the eligibility criteria in the Capital Rules, including common stock and related surplus, net of treasury stock, retained earnings, certain minority interests and, for certain firms, accumulated other comprehensive income. As currently permitted under the Capital Rules, M&T made a one-time permanent election to neutralize certain accumulated other comprehensive income components, with the result that those components are not recognized in M&T's CET1.

The Capital Rules provide for a number of deductions from and adjustments to CET1. As a “non-advanced approaches” firm under the Capital Rules, M&T is subject to rules that provide for simplified capital requirements relating to the threshold deductions for mortgage servicing assets, deferred tax

assets arising from temporary differences that a banking organization could not realize through net operating loss carrybacks, and investments in the capital of unconsolidated financial institutions, as well as the inclusion of minority interests in regulatory capital. M&T's and its subsidiary banks' regulatory capital ratios are presented in note 24 of Notes to Financial Statements filed herewith in Part II, Item 8, "Financial Statements and Supplementary Data."

In December 2017, the Basel Committee published standards that it described as the finalization of the Basel III post-crisis regulatory reforms. Among other things, these standards revise the Basel Committee's standardized approach for credit risk (including by recalibrating risk weights and introducing new capital requirements for certain "unconditionally cancellable commitments," such as unused credit card lines of credit) and provide a new standardized approach for operational risk capital. Under the current U.S. capital rules, operational risk capital requirements and a capital floor apply only to advanced approaches institutions, and not to the Company.

On July 27, 2023, the Federal Reserve, the FDIC and the OCC proposed revisions to the Capital Rules to implement the Basel Committee's 2017 standards and make other changes to the Capital Rules. The proposal introduces revised credit risk, equity risk, operational risk, credit valuation adjustment risk and market risk requirements (together, the "Expanded Risk-Based Approach"). The Expanded Risk-Based Approach would apply to Category I through Category IV firms and would replace the existing advanced approaches with respect to credit and operational risk. Under the proposal, banking organizations with more than \$100 billion in total consolidated assets would be required to calculate RWAs using the higher of (i) the Expanded Risk-Based Approach or (ii) the current standardized approach and revised market risk requirements. Calculating RWAs under the Expanded Risk-Based Approach would impose additional operational costs, including the costs to collect the data elements that would be used in the calculations. In addition, the proposal would subject Category IV firms, like M&T, to the deductions framework for mortgage servicing assets and deferred tax assets and the methodology for calculating minority interest limitations currently applicable only to Category I and Category II firms. Category IV firms would also no longer be eligible to opt-out of including certain components of accumulated other comprehensive income in regulatory capital.

Stress Testing and SCB

As part of the enhanced prudential requirements applicable to systemically important financial institutions, the Federal Reserve conducts periodic analyses of BHCs with at least \$100 billion in total consolidated assets using baseline and severely adverse economic and financial scenarios generated by the Federal Reserve. For Category IV firms, such as M&T, these supervisory stress tests occur on a biennial basis, in even-numbered years. The Federal Reserve may also use additional components in the severely adverse scenario or additional or more complex scenarios designed to capture salient risks to specific business groups. A summary of results of the Federal Reserve's analysis under the severely adverse stress scenario is publicly disclosed by June 30 each year. Under the Tailoring Rules, Category IV firms, including M&T, are not subject to company-run stress testing requirements.

The SCB is based on a BHC's stressed losses in the supervisory stress test, plus four quarters of planned common stock dividends, subject to a floor of 2.5% of RWAs. Under the Tailoring Rules, for Category IV firms, the portion of the SCB based on the Federal Reserve's supervisory stress tests will be calculated biennially, in even-numbered years. During a year in which a Category IV firm does not undergo a supervisory stress test, the firm will receive an updated SCB that reflects the firm's updated planned common stock dividends. A Category IV firm is also able to elect to participate in the supervisory stress test in a year in which the firm would not normally be subject to the supervisory stress test and consequently receive an updated SCB. The Federal Reserve may impose more stringent requirements (e.g., frequency of supervisory stress tests or capital plan submissions) based on various factors.

In connection with the acquisition of People's United, M&T was required to participate in the 2023 supervisory stress test and received an updated SCB. In June 2023, the Federal Reserve released the results of its most recent supervisory stress tests. Based on those results, on October 1, 2023, M&T's SCB of 4.0% became effective. Accordingly, it is currently subject to a CET1 capital requirement of 8.5% (a sum of the SCB and the minimum CET1 capital ratio).

BHCs with total consolidated assets of \$100 billion or more, including Category IV BHCs such as M&T, must annually submit capital plans as part of the Federal Reserve's process. The comprehensive capital plans include a view of capital adequacy under various scenarios — including a BHC-defined baseline scenario, a baseline scenario provided by the Federal Reserve, at least one BHC-defined stress scenario, and any severely adverse scenario provided by the Federal Reserve. A BHC's planned capital distributions in its annual capital plan submissions must be consistent with any effective distribution limitations that would apply under the firm's own baseline projections, including its SCB. The process is intended to help ensure that these BHCs have robust, forward-looking capital planning processes that account for each company's unique risks and that permit continued operations during times of economic and financial stress. Each of the BHCs participating in the process is also required to collect and report certain related data to the Federal Reserve on a regular basis. The Federal Reserve incorporates an assessment of the qualitative aspects of the firm's capital planning process into regular, ongoing supervisory activities and through targeted, horizontal assessments of particular aspects of capital planning. M&T's annual capital plan is currently due in April each year.

Distributions

M&T is a legal entity separate and distinct from its banking and other subsidiaries. Historically, the majority of M&T's revenue has been from dividends paid to M&T by its subsidiary banks. M&T Bank and Wilmington Trust, N.A. are subject to laws and regulations imposing restrictions on the amount of dividends they may declare and pay. Future dividend payments to M&T by its subsidiary banks will be dependent on a number of factors, including the earnings and financial condition of each such bank, and are subject to the limitations referred to in note 24 of Notes to Financial Statements filed herewith in Part II, Item 8, "Financial Statements and Supplementary Data," and to other statutory powers of bank regulatory agencies.

An IDI is prohibited from making any capital distribution to its owner, including any dividend, if, after making such distribution, the depository institution fails to meet the required minimum level for any relevant capital measure, including the risk-based capital adequacy and leverage standards discussed herein. Dividend payments by M&T to its shareholders and common stock repurchases by M&T are subject to the oversight of the Federal Reserve. M&T's ability to make capital distributions would likely be impacted in the event that M&T fails to maintain its SCB above its minimum CET1 risk-based, Tier-1 risk-based and total risk-based capital requirements.

In addition, the Federal Reserve's capital plan rule also provides that a BHC must receive prior approval for any dividend, stock repurchase, or other capital distribution, other than a capital distribution on a newly issued capital instrument, if the BHC is required to resubmit its capital plan. Among other circumstances, a firm may be required to resubmit its capital plan in connection with certain acquisitions or dispositions.

Liquidity

Under the Tailoring Rules, as a Category IV firm, the Company is not subject to the Federal Reserve and other federal banking regulators rules that implement a U.S. version of the Basel Committee's LCR requirement, which is intended to ensure that banks hold sufficient amounts of so-called high quality liquid assets to cover the anticipated net cash outflows during a hypothetical acute 30-day stress scenario or the NSFR, which is designed to promote more medium- and long-term funding of the assets and activities of banks over a one-year time horizon. The Federal Reserve's enhanced prudential

standards, however, require the Company, as a BHC with \$100 billion or more in total consolidated assets, to comply with enhanced liquidity and overall risk management standards, which include maintaining a level of highly liquid assets based on projected funding needs for 30 days, and increased involvement by boards of directors in liquidity and overall risk management. Under the Tailoring Rules, the liquidity risk management and reporting requirements are less stringent for Category IV BHCs as compared with BHCs in a different category.

Cross Guaranty Provision

The cross guaranty provisions in the FDIA require each IDI owned by the same BHC to be financially responsible for the failure or resolution costs of any affiliated insured institution. Generally, the amount of the cross guaranty liability is equal to the estimated loss to the DIF for the resolution of the affiliated institution(s) in default. The FDIC's claim under the cross guaranty provision is superior to claims of shareholders of the IDI or its BHC and to most claims arising out of obligations or liabilities owed to affiliates of the institution, but is subordinate to claims of depositors, secured creditors and holders of subordinated debt (other than affiliates) of the commonly controlled IDI. The FDIC may decline to enforce the cross guaranty provision if it determines that a waiver is in the best interest of the DIF.

Volcker Rule

The Volcker Rule limits proprietary trading and investing in and sponsoring certain hedge funds and private equity funds (defined as "covered funds" in the Volcker Rule). The Company does not engage in any significant amount of proprietary trading as defined in the Volcker Rule and implemented the required procedures for those areas in which trading does occur. In addition, the Company does not engage in any significant covered fund activities that are impacted by the Volcker Rule.

Safety and Soundness Standards

Guidelines adopted by the federal bank regulatory agencies pursuant to the FDIA establish general standards relating to internal controls, information systems, internal audit systems, loan documentation, credit underwriting, interest rate exposure, asset growth, compensation, fees and benefits. In general, these guidelines require, among other things, appropriate systems and practices to identify and manage the risk and exposures specified in the guidelines. Additionally, the agencies adopted regulations that authorize, but do not require, an agency to order an institution that has been given notice by an agency that it is not satisfying any of such safety and soundness standards to submit a compliance plan. If, after being so notified, an institution fails to submit an acceptable compliance plan or fails in any material respect to implement an acceptable compliance plan, the agency must issue an order directing action to correct the deficiency and may issue an order directing other actions of the types to which an undercapitalized institution is subject. If an institution fails to comply with such an order, the agency may seek to enforce such order in judicial proceedings and to impose civil money penalties.

Limits on Undercapitalized Depository Institutions

The FDIA establishes a system of regulatory remedies to resolve the problems of undercapitalized institutions, referred to as the prompt corrective action. The federal banking regulators have established five capital categories ("well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" and "critically undercapitalized") and must take certain mandatory supervisory actions, and are authorized to take other discretionary actions, with respect to institutions which are undercapitalized, significantly undercapitalized or critically undercapitalized. The severity of these mandatory and discretionary supervisory actions depends upon the capital category in which the institution is placed. The federal banking regulators have specified by regulation the relevant capital levels for each category. Under existing rules, a depository institution is deemed to be "well

capitalized" if it has (i) a CET1 ratio of at least 6.5%, (ii) a Tier 1 capital ratio of at least 8%, (iii) a Total capital ratio of at least 10%, and (iv) a Tier 1 leverage ratio of at least 5%.

The FDIA's prompt corrective action provisions only apply to depository institutions and not to BHCs. The Federal Reserve's regulations applicable to BHCs separately define "well capitalized." A FHC that is not well capitalized and well managed (or whose bank subsidiaries are not well capitalized and well managed) under applicable prompt corrective action standards may be restricted in certain of its activities and ultimately may lose FHC status.

An institution that is categorized as undercapitalized, significantly undercapitalized or critically undercapitalized is required to submit an acceptable capital restoration plan to its appropriate federal banking regulator. Under the FDIA, in order for the capital restoration plan to be accepted by the appropriate federal banking agency, a BHC must guarantee that a subsidiary depository institution will comply with its capital restoration plan, subject to certain limitations. The BHC must also provide appropriate assurances of performance. An undercapitalized institution is also generally prohibited from increasing its average total assets, accepting brokered deposits or offering interest rates on any deposits significantly higher than prevailing market rates, making acquisitions, establishing any branches or engaging in any new line of business, except in accordance with an accepted capital restoration plan or with the approval of the FDIC. Institutions that are significantly undercapitalized or undercapitalized and either fail to submit an acceptable capital restoration plan or fail to implement an approved capital restoration plan may be subject to a number of requirements and restrictions, including orders to sell sufficient voting stock to become adequately capitalized, requirements to reduce total assets and cessation of receipt of deposits from correspondent banks. Critically undercapitalized depository institutions failing to submit or implement an acceptable capital restoration plan are subject to appointment of a receiver or conservator.

Transactions with Affiliates

There are various legal restrictions on the extent to which M&T and its non-bank subsidiaries or affiliates may borrow or otherwise obtain funding from M&T Bank and Wilmington Trust, N.A. In general, Sections 23A and 23B of the Federal Reserve Act and Federal Reserve Regulation W require that any "covered transaction" by M&T Bank and Wilmington Trust, N.A. (or any of their respective subsidiaries) with an affiliate must in certain cases be secured by designated amounts of specified collateral and must be limited as follows: (i) in the case of any single such affiliate, the aggregate amount of covered transactions of the IDI and its subsidiaries may not exceed 10% of the capital stock and surplus of such IDI, and (ii) in the case of all affiliates, the aggregate amount of covered transactions of an IDI and its subsidiaries may not exceed 20% of the capital stock and surplus of such IDI. "Covered transactions" are defined by statute to include, among other things, a loan or extension of credit, as well as a purchase of securities issued by an affiliate, a purchase of assets (unless otherwise exempted by the Federal Reserve) from the affiliate, certain derivative transactions that create a credit exposure to an affiliate, the acceptance of securities issued by the affiliate as collateral for a loan, and the issuance of a guarantee, acceptance or letter of credit on behalf of an affiliate. All covered transactions, including certain additional transactions (such as transactions with a third party in which an affiliate has a financial interest), must be conducted on terms and under circumstances including credit standards, (i) that are substantially the same, or at least as favorable to such bank or its subsidiary, as those prevailing at the time for comparable transactions with or involving other nonaffiliated companies, or in the absence of comparable transactions, (ii) that in good faith would be offered to, or would apply to, nonaffiliated companies.

FDIC Insurance Assessments

M&T Bank and Wilmington Trust, N.A. deposits are insured by the DIF of the FDIC up to the limits set forth under applicable law. The FDIC imposes a risk-based premium assessment system that determines assessment rates for financial institutions. Deposit insurance assessments are based on average total assets minus average tangible equity. For larger institutions, such as M&T Bank, the FDIC uses a performance score and a loss-severity score to calculate an initial assessment rate. In calculating these scores, the FDIC uses a bank's capital level and supervisory ratings and certain financial measures to assess an institution's ability to withstand asset-related stress and funding-related stress. The FDIC has the ability to make discretionary adjustments to the total score based upon significant risk factors that are not adequately captured in the calculations. Under the current system, premiums are assessed quarterly.

Under the FDIA, insurance of deposits may be terminated by the FDIC upon a finding that the institution has engaged in unsafe and unsound practices, is in an unsafe or unsound condition to continue operations, or has violated any applicable law, regulation, rule, order or condition imposed by the FDIC.

In October 2022, the FDIC finalized a rule that increased initial base deposit insurance assessment rates by 2 basis points, beginning with the first quarterly assessment period of 2023. The FDIC, as required under the FDIA, established a plan in September 2020 to restore the DIF reserve ratio to meet or exceed the statutory minimum of 1.35 percent within eight years. The increased assessment is intended to improve the likelihood that the DIF reserve ratio would reach the required minimum by the statutory deadline of September 30, 2028.

On November 16, 2023, the FDIC finalized a rule that imposes a special assessment to recover the costs to the DIF resulting from the FDIC's use in 2023 of the systemic risk exception to the least-cost resolution test under the FDIA in connection with the receiverships of certain failed banks. The FDIC estimated in approving the rule that those assessed losses total approximately \$16.3 billion. The rule provides that this loss estimate will be periodically adjusted, which will affect the amount of the special assessment. Under the rule, the assessment base is the estimated uninsured deposits that an IDI reported in its Consolidated Report of Condition and Income at December 31, 2022, excluding the first \$5 billion in estimated uninsured deposits. For a holding company that has more than one IDI subsidiary, such as M&T, the \$5 billion exclusion is allocated among the company's IDI subsidiaries in proportion to each IDI's estimated uninsured deposits. The special assessments will be collected at an annual rate of approximately 13.4 basis points per year (3.36 basis points per quarter) over eight quarters in 2024 and 2025, with the first assessment period beginning January 1, 2024. Because the estimated loss pursuant to the systemic risk determination will be periodically adjusted, the FDIC retains the ability to cease collection early, extend the special assessment collection period and impose a final shortfall special assessment on a one-time basis. The special assessments are tax deductible. The total of the assessments for M&T is estimated at \$197 million and such amount was recorded as an expense in the fourth quarter of 2023 when the final rule was enacted.

Acquisitions

Federal and state laws impose notice and approval requirements for mergers and acquisitions involving depository institutions or BHCs. For example, the BHCA requires every BHC to obtain the prior approval of the Federal Reserve before: (i) it may acquire direct or indirect ownership or control of any voting shares of any bank or savings institution, if after such acquisition, the BHC will directly or indirectly own or control 5% or more of the voting shares of the institution; (ii) it or any of its subsidiaries, other than a bank, may acquire all or substantially all of the assets of any bank or savings institution; or (iii) it may merge or consolidate with any other BHC. In addition, FHCs are required to obtain prior approval from the Federal Reserve before acquiring certain non-bank financial companies with assets exceeding \$10 billion.

The BHCA further provides that the Federal Reserve may not approve any transaction that would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or attempt to monopolize the business of banking in any section of the U.S., or the effect of which may be to substantially lessen competition or to tend to create a monopoly in any section of the country, or that in any other manner would be in restraint of trade, unless the anticompetitive effects of the proposed transaction are clearly outweighed by the public interest in meeting the convenience and needs of the community to be served. The Federal Reserve is also required to consider the financial and managerial resources and future prospects of the BHCs and banks concerned and the convenience and needs of the community to be served. Consideration of financial resources generally focuses on capital adequacy and consideration of convenience and needs issues and includes the parties' performance under the CRA and compliance with laws, especially consumer protection laws. When evaluating a transaction, the Federal Reserve must also take into account the institution's effectiveness in combating money laundering and consider the extent to which the transaction would result in greater or more concentrated risks to the stability of the U.S. banking or financial system.

Executive and Incentive Compensation

Guidelines adopted by several federal banking agencies prohibit excessive compensation as an unsafe and unsound practice and describe compensation as "excessive" when the amounts paid are unreasonable or disproportionate to the services performed by an executive officer, employee, director or principal stockholder. The Federal Reserve issued Incentive Compensation Guidance intended to ensure that the incentive compensation policies of banking organizations do not undermine the safety and soundness of such organizations by encouraging excessive risk-taking. The Incentive Compensation Guidance, which covers all employees that have the ability to materially affect the risk profile of an organization, either individually or as part of a group, is based upon the key principles that a banking organization's incentive compensation arrangements should (i) provide incentives that do not encourage risk-taking beyond the organization's ability to effectively identify and manage risks, (ii) be compatible with effective internal controls and risk management and (iii) be supported by strong corporate governance, including active and effective oversight by the organization's board of directors. These three principles are incorporated into the proposed joint compensation regulations under the Dodd-Frank Act. Any deficiencies in compensation practices that are identified may be incorporated into the organization's supervisory ratings, which can affect its ability to make acquisitions or perform other actions. The Incentive Compensation Guidance states that enforcement actions may be taken against a banking organization if its incentive compensation arrangements or related risk-management control or governance processes pose a risk to the organization's safety and soundness and the organization is not taking prompt and effective measures to correct the deficiencies.

The Dodd-Frank Act requires the federal bank regulatory agencies and the SEC to establish joint regulations or guidelines prohibiting incentive-based payment arrangements at specified regulated entities having at least \$1 billion in total assets, such as M&T and M&T Bank. The agencies proposed rules to implement this requirement but these proposed rules have not been finalized.

In October 2022, the SEC adopted a final rule directing national securities exchanges and associations, including the NYSE, to require policies mandating the recovery or "clawback" of excess incentive-based compensation earned by a current or former executive officer during the three fiscal years preceding a required accounting restatement, including to correct an error that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. The excess compensation would be based on the amount the executive officer would have received had the incentive-based compensation been determined using the restated financials. The NYSE's listing standards pursuant to the SEC's rule became effective October 2, 2023. M&T's clawback policy adopted in accordance with these listing standards is included as Exhibit 97.1 to this Annual Report on Form 10-K.

In addition, the NYSDFS issued guidance emphasizing that its regulated banking institutions, including M&T Bank, must ensure that any incentive compensation arrangements tied to employee performance indicators are subject to effective risk management, oversight and control.

Resolution Planning and Resolution-Related Requirements

Pursuant to the Dodd-Frank Act, as amended by the EGRRCPA, certain BHCs are required to report periodically to the Federal Reserve and the FDIC a resolution plan for their rapid and orderly resolution in the event of material financial distress or failure. In late 2019, the Federal Reserve and FDIC issued modified rules that, among other things, adjusted the review cycles and applicability of the agencies' resolution planning requirements. Under these rules, Category IV firms such as M&T are not required to submit resolution plans.

The FDIC has separately required IDIs with \$50 billion or more in total assets, such as M&T Bank, to submit to the FDIC periodic plans for resolution in the event of the institution's failure. In January 2021, the FDIC lifted its existing moratorium on resolution plans, resuming the requirement for resolution plan submissions for IDIs with \$100 billion or more in assets. The FDIC also announced its intention to engage in targeted engagement and capabilities testing related to resolution planning with select firms, for which M&T Bank most recently participated during 2021. In June 2021, the FDIC issued a Statement on Resolution Plans for IDIs, which, among other things, provides general information regarding the content that filers are expected to prepare and extends the submission frequency for specified IDIs to a three-year resolution plan filing cycle. Pursuant to this filing cycle, M&T Bank submitted its most recent resolution plan to the FDIC in November 2022.

On August 29, 2023, the FDIC proposed amendments to the resolution planning requirements for IDIs with \$50 billion or more in total assets. Under the proposed revisions, IDIs such as M&T Bank with \$100 billion or more in total assets would be required to submit resolution plans on a two-year cycle, with an interim supplement updating key information submitted in the off years. The proposed rule would, among other things, revise the required contents of a resolution plan for an IDI with \$100 billion or more in total assets and address the IDI's capabilities to produce valuations that the FDIC could use to conduct the statutorily required least-cost analysis in the event of the IDI's failure.

On August 29, 2023, the Federal Reserve, the FDIC and the OCC issued a proposed rule that would require Category II through Category IV BHCs and IDIs with \$100 billion or more in consolidated assets (as well as their IDI affiliates) to maintain minimum amounts of eligible long-term debt (generally, debt that is unsecured, has a maturity greater than one year from issuance and satisfies additional criteria), subject to a three-year phase-in period. Under the proposal, BHCs and IDIs would be required to maintain eligible long-term debt in an amount equal to the greatest of 6% of RWAs, 3.5% of total consolidated assets and, if subject to the SLR, 2.5% of total leverage exposure (the denominator of the SLR). The proposal would also apply "clean holding company" requirements to Category II through IV BHCs, which would, among other things, prohibit entering into derivatives and certain other financial contracts with third parties.

Insolvency of an IDI or a BHC

If the FDIC is appointed as conservator or receiver for an IDI such as M&T Bank or Wilmington Trust, N.A., upon its insolvency or in certain other events without limitation, the FDIC has the power:

- to transfer any of the depository institution's assets and liabilities to a new depository institution, including a newly formed "bridge" bank without the approval of the insolvent depository institution's creditors or equity holders;
- to enforce the terms of the depository institution's contracts pursuant to their terms without regard to any provisions triggered by the appointment of the FDIC in that capacity; or

- to repudiate or disaffirm any contract or lease to which the depository institution is a party, the performance of which is determined by the FDIC to be burdensome and the disaffirmance or repudiation of which is determined by the FDIC to promote the orderly administration of the depository institution.

In addition, under federal law, the claims of holders of domestic deposit liabilities and certain claims for administrative expenses against an IDI institution would be afforded a priority over other general unsecured claims against such an institution, including claims of debt holders of the institution, in the “liquidation or other resolution” of such an institution by any receiver. As a result, whether or not the FDIC ever sought to repudiate any debt obligations of M&T Bank or Wilmington Trust, N.A., the debt holders would be treated differently from, and could receive, if anything, substantially less than, the depositors of the bank.

The Dodd-Frank Act created a new resolution regime (known as “orderly liquidation authority”) for systemically important financial companies, including BHCs and their affiliates. Under the orderly liquidation authority, the FDIC may be appointed as receiver for the systemically important institution, and its failed subsidiaries, for purposes of liquidating the entity if, among other conditions, it is determined at the time of the institution’s failure that it is in default or in danger of default and the failure poses a risk to the stability of the U.S. financial system.

If the FDIC is appointed as receiver under the orderly liquidation authority, then the powers of the receiver, and the rights and obligations of creditors and other parties who have dealt with the institution, would be determined under the Dodd-Frank Act provisions, and not under the insolvency law that would otherwise apply. The powers of the receiver under the orderly liquidation authority were based on the powers of the FDIC as receiver for depository institutions under the FDIA. However, the provisions governing the rights of creditors under the orderly liquidation authority were modified in certain respects to reduce disparities with the treatment of creditors’ claims under the U.S. Bankruptcy Code as compared with the treatment of those claims under the new authority. Nonetheless, substantial differences in the rights of creditors exist as between these two regimes, including the right of the FDIC to disregard the strict priority of creditor claims in some circumstances, the use of an administrative claims procedure to determine creditors’ claims (as opposed to the judicial procedure utilized in bankruptcy proceedings), and the right of the FDIC to transfer claims to a “bridge” entity.

An OLF will fund such liquidation proceedings through borrowings from the Treasury Department and risk-based assessments made, first, on entities that received more in the resolution than they would have received in liquidation to the extent of such excess, and second, if necessary, on BHCs with total consolidated assets of \$50 billion or more, such as M&T. If an orderly liquidation is triggered, M&T could face assessments for the OLF.

The FDIC has developed a strategy under the orderly liquidation authority referred to as the “single point of entry” strategy, under which the FDIC would resolve a failed FHC by transferring its assets (including shares of its operating subsidiaries) and, potentially, very limited liabilities to a “bridge” holding company; utilize the resources of the failed FHC to recapitalize the operating subsidiaries; and satisfy the claims of unsecured creditors of the failed FHC and other claimants in the receivership by delivering securities of one or more new financial companies that would emerge from the bridge holding company. Under this strategy, management of the failed FHC would be replaced and shareholders and creditors of the failed FHC would bear the losses resulting from the failure.

Depositor Preference

Under federal law, depositors and certain claims for administrative expenses and employee compensation against an IDI would be afforded a priority over other general unsecured claims against such an institution in the “liquidation or other resolution” of such an institution by any receiver. If an IDI fails, insured and uninsured depositors, along with the FDIC, will have priority in payment ahead

of unsecured, non-deposit creditors, including depositors whose deposits are payable only outside of the U.S. and the parent BHC, with respect to any extensions of credit they have made to such IDI.

Financial Privacy and Cybersecurity

The federal banking regulators have adopted rules that limit the ability of banks and other financial institutions to disclose non-public and personally identifiable information about consumers to non-affiliated third parties. These limitations require disclosure of privacy policies to consumers and, in some circumstances, allow consumers to prevent disclosure of certain personal information to a non-affiliated third party. These regulations affect how consumer information is transmitted through diversified financial companies and conveyed to outside vendors. In addition, consumers may also prevent disclosure of certain information among affiliated companies that is assembled or used to determine eligibility for a product or service, such as that shown on consumer credit reports and asset and income information from applications. Consumers also have the option to direct banks and other financial institutions not to share information about transactions and experiences with affiliated companies for the purpose of marketing products or services. Federal law makes it a criminal offense, except in limited circumstances, to obtain or attempt to obtain customer information of a financial nature by fraudulent or deceptive means.

The federal banking agencies require banking organizations to notify their primary regulator as soon as possible and within 36 hours of determining that a “notification incident” has occurred. A notification incident is a “computer-security incident” that has materially disrupted or degraded, or is reasonably likely to materially disrupt or degrade, the banking organization’s ability to deliver services to a material portion of its customer base, jeopardize the viability of key operations of the banking organization, or impact the stability of the financial sector. The final rule also requires specific and immediate notifications by bank service providers that become aware of similar incidents.

Financial institutions regulated by the NYSDFS, including M&T Bank, are also subject to NYSDFS regulations on cybersecurity matters, including, among other things, requirements to (i) establish and maintain a cybersecurity program designed to ensure the confidentiality, integrity and availability of their information systems, (ii) implement and maintain a written cybersecurity policy setting forth policies and procedures for the protection of their information systems and nonpublic information and (iii) designate a CISO.

On November 1, 2023, the NYSDFS adopted amendments to its cybersecurity regulations that represent a significant update to the regulation of cybersecurity practices. The amendments generally fall within the following five categories: (i) increased mandatory controls associated with common attack vectors; (ii) enhanced requirements for privileged accounts; (iii) enhanced notification obligations; (iv) expansion of cyber governance practices; and (v) additional cybersecurity requirements for larger companies. Most of the amendments will become effective 180 days after adoption.

On July 6, 2023, the SEC adopted new rules that require registrants, such as M&T, to (i) report material cybersecurity incidents on Form 8-K and (ii) disclose in its Annual Report on Form 10-K cybersecurity policies and procedures and governance practices, including at the board and management levels. This disclosure is included herein in Part I, Item 1C, “Cybersecurity.”

Many states and regulators have been increasingly active in implementing privacy and cybersecurity standards and regulations, including implementing or modifying their data breach notification and data privacy requirements. One example of recent state legislation is the California Consumer Privacy Act, which became effective on January 1, 2020 and applies to for-profit businesses that conduct business in California and meet certain revenue or data collection thresholds. Amendments expanding the scope of and requirements under the California Consumer Privacy Act generally became effective on January 1, 2023.

Consumer Protection Laws and the CFPB Supervision

In connection with their respective lending and leasing activities, M&T Bank, Wilmington Trust, N.A. and certain of their subsidiaries, are each subject to a number of federal and state laws designed to protect consumers and promote lending to various sectors of the economy. Such laws include but are not limited to: the Electronic Signatures in Global and National Commerce Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Fair and Accurate Credit Transactions Act, the Gramm-Leach Bliley Act, the Truth in Lending Act, the Home Mortgage Disclosure Act, the Electronic Fund Transfer Act, the Real Estate Settlement Procedures Act, the Military Lending Act, the Servicemembers Civil Relief Act, and various state law counterparts. Furthermore, the CFPB has issued integrated disclosure requirements under the Truth in Lending Act and the Real Estate Settlement Procedures Act that relate to the provision of disclosures to consumers. There are also consumer protection laws governing deposit taking/account activities (e.g. the Expedited Funds Availability Act, the Truth in Savings Act and the Electronic Fund Transfer Act), as well as securities and insurance laws governing certain aspects of the Company's consolidated operations.

The CFPB has broad powers to supervise and enforce most federal consumer protection laws. The CFPB has broad rule-making authority for a wide range of consumer protection laws that apply to all banks and savings institutions, including the authority to prohibit "unfair, deceptive or abusive" acts and practices which violate the Consumer Financial Protection Act. The CFPB has examination and enforcement authority over all banks and savings institutions with more than \$10 billion in assets, including M&T Bank.

On October 19, 2023, the CFPB proposed a new rule that would require a provider of payment accounts or products, such as a bank, to make data available to consumers upon request regarding the products or services they obtain from the provider. Any such data provider would also have to make such data available to third parties, with the consumer's express authorization and through an interface that satisfies formatting, performance and security standards, for the purpose of such third parties providing the consumer with financial products or services requested by the consumer. Data that would be required to be made available under the rule would include transaction information, account balance, account and routing numbers, terms and conditions, upcoming bill information, and certain account verification data. The proposed rule is intended to give consumers control over their financial data, including with whom it is shared, and encourage competition in the provision of consumer financial products or services. For banks with at least \$50 billion and less than \$500 billion in total assets, compliance with the proposed rule's requirements would be required approximately one year after adoption of the final rule.

On October 25, 2023, the Federal Reserve proposed amendments to its rules on interchange fees. Interchange fees, or "swipe" fees, are charges that merchants pay to card-issuing banks, such as M&T Bank, for processing electronic payment transactions. The current interchange fee limitations establish a maximum possible fee for many types of debit interchange transactions that is equal to no more than 21 cents per transaction plus five basis points multiplied by the value of the transaction. The proposed changes would establish a maximum permissible interchange fee of no more than 14.4 cents per transaction plus four basis points multiplied by the value of the transaction. The current rules allow a debit card issuer to recover one cent per transaction for fraud prevention purposes if the issuer complies with certain fraud-related requirements. Under the proposed changes, the fraud prevention adjustment would be increased to 1.3 cents per transaction. The proposed rule would also establish an automatic update of the interchange fee cap every other year based on a survey of debit card issuers.

On January 17, 2024, the CFPB proposed a rule that would significantly reform the regulatory framework governing overdraft practices applicable to banks such as M&T Bank that have more than \$10 billion in assets. The proposed rule would modify or eliminate several long-standing exclusions from requirements generally applicable to consumer credit that previously exempted certain overdraft practices. Under the proposal, if banks charge overdraft fees that exceed their breakeven cost or a

to-be-established threshold, banks would have to restructure discretionary overdraft arrangements as separate consumer credit accounts that would be subject to consumer credit requirements. Depending on the final rules and the approach M&T Bank adopts, these changes to the regulatory framework could result in M&T Bank, among other things, facing higher compliance costs in charging overdraft fees, experiencing a decreased ability to recover amounts extended as overdraft protection under a separate credit arrangement, reducing the availability of overdraft protection, and/or charging lower per item overdraft fees.

In addition, federal law permits states to adopt consumer protection laws and standards that are more stringent than those adopted at the federal level and, in certain circumstances, permits state attorneys general to enforce compliance with both the state and federal laws and regulations. For example, in December 2023, a New York law requiring credit card issuers such as M&T Bank to notify consumers before making changes to or terminating rewards programs associated with the credit card became effective.

CRA

The CRA is intended to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods, consistent with safe and sound operations. CRA examinations are conducted by the federal agencies that are responsible for supervising the relevant depository institutions: the Federal Reserve, the FDIC and the OCC. For purposes of the CRA, M&T is regulated by the Federal Reserve. A financial institution's performance in helping to meet the credit needs of its community is evaluated in the context of information about the institution (capacity, constraints and business strategies), its community (demographic and economic data, lending, investment, and service opportunities), and its competitors and peers. Upon completion of a CRA examination, an overall CRA Rating is assigned using a four-tiered rating system. These ratings are: "Outstanding," "Satisfactory," "Needs to Improve" and "Substantial Noncompliance." The CRA evaluation is used in evaluating applications for future approval of bank activities including mergers, acquisitions, charters, branch openings and deposit facilities. An unsatisfactory CRA evaluation could result in the delay or denial of acquisition or merger applications, among other activities. M&T Bank has a current rating of "Outstanding." M&T Bank is also subject to New York State CRA examination and is assessed using a 1 to 4 scoring system. M&T Bank currently has a rating of 1, or "Outstanding" from the NYSDFS. Wilmington Trust, N.A. has been designated a special purpose trust company, and is therefore exempt from the requirements of the CRA.

On October 24, 2023, the Federal Reserve, the FDIC, and the OCC jointly issued a final rule to modernize regulations implementing the CRA and respond to changes in the banking industry. Among other items, the final rule introduces new tests under which the performance of banks will be assessed and includes data collection and reporting requirements, many of which are applicable only to banks with \$10 billion or more in assets, such as M&T Bank. The effective date of the final rule is April 1, 2024; however, banks will not be required to begin complying with certain provisions of the final rule until January 1, 2026, with other reporting requirements becoming applicable on January 1, 2027.

BSA Regulation and AML Obligations

Federal laws and regulations impose obligations on U.S. financial institutions, including banks and broker/dealer subsidiaries, to implement and maintain appropriate policies, procedures and controls which are reasonably designed to prevent, detect and report instances of money laundering and the financing of terrorism and to verify the identity of their customers. These provisions also require the federal financial institution regulatory agencies to consider the effectiveness of a financial institution's AML activities when reviewing bank mergers and BHC acquisitions. Failure of a financial institution to maintain and implement adequate programs to combat money laundering and terrorist financing

could have serious legal and reputational consequences for the institution, including the denial by federal regulators of proposed merger, acquisition, restructuring or other expansionary activity.

The Financial Crimes Enforcement Network, which drafts regulations implementing the U.S. Patriot Act and other AML and BSA legislation, has adopted rules that require financial institutions to, among other things, obtain beneficial ownership information with respect to legal entities with which such institutions conduct business, subject to certain exclusions and exemptions. Bank regulators conduct focused examinations on AML compliance, and M&T continues to monitor and augment, where necessary, its BSA/AML Compliance Program.

The AMLA, which amends the BSA, was enacted in January 2021. The AMLA was intended to comprehensively reform and modernize U.S. bank secrecy and AML laws. Among other things, it codified a risk-based approach to AML compliance for financial institutions; required the U.S. Department of the Treasury to promulgate priorities for AML and countering the financing of terrorism policy; required the development of standards for testing technology and internal processes for BSA compliance; expanded enforcement and investigation-related authority, including increasing available sanctions for certain BSA violations; and expanded BSA whistleblower incentives and protections. In June 2021, the Financial Crimes Enforcement Network issued the priorities for AML and countering the financing of terrorism policy required under AMLA. The priorities include: corruption, cybercrime, terrorist financing, fraud, transnational crime, drug trafficking, human trafficking and proliferation financing. M&T reviews and monitors its AML compliance program to ensure it complies with the changes reflected in the AMLA and the regulations that implement it.

OFAC Regulation

The U.S. has imposed economic sanctions that prohibit transactions with designated foreign countries, nationals and others. The OFAC-administered sanctions targeting those countries take many different forms. Generally, however, they contain one or more of the following elements: (i) restrictions on trade with or investment in a sanctioned country, including prohibitions against direct or indirect imports from and exports to a sanctioned country and prohibitions on “U.S. persons” engaging in financial transactions relating to making investments in, or providing investment-related advice or assistance to, a sanctioned country; and (ii) a blocking of assets in which the government or specially designated nationals of the sanctioned country have an interest, by prohibiting transfers of property subject to U.S. jurisdiction (including property in the possession or control of U.S. persons). Blocked assets (e.g. property and bank deposits) cannot be paid out, withdrawn, set off or transferred in any manner without a license from OFAC. Failure to comply with these sanctions could have serious legal and reputational consequences, including denial by federal regulators of proposed merger, acquisition, restructuring, or other expansionary activity. The OFAC rules are included as part of M&T’s BSA/AML Compliance Program, which M&T continues to monitor and augment, where necessary.

Federal Reserve Policies

The earnings of the Company are significantly affected by the monetary and fiscal policies of governmental authorities, including the Federal Reserve. Among the instruments of monetary policy used by the Federal Reserve are open-market operations in U.S. government securities and federal funds, changes in the discount rate on member bank borrowings and changes in reserve requirements against member bank deposits. These instruments of monetary policy are used in varying combinations to influence the overall level of bank loans, investments and deposits, and the interest rates charged on loans and paid for deposits. The Federal Reserve frequently uses these instruments of monetary policy, especially its open-market operations and the discount rate, to influence the level of interest rates and to affect the strength of the economy, the level of inflation or the price of the dollar in foreign exchange markets. The monetary policies of the Federal Reserve have had a significant effect on the operating results of banking institutions in the past and are expected to continue to do so in the future. It is not

possible to predict the nature of future changes in monetary and fiscal policies or the effect which they may have on the Company's business and earnings.

Climate-Related and Other Sustainability Developments

In recent years, federal, state and international lawmakers and regulators have increased their focus on financial institutions' and other companies' risk oversight, disclosures and practices in connection with climate change and other sustainability matters. For example, on October 24, 2023, the Federal Reserve, the FDIC, and the OCC finalized interagency guidance on principles for climate-related financial risk management applicable to regulated financial institutions with more than \$100 billion in total consolidated assets, including the Company. The principles are intended to support efforts by large financial institutions to focus on key aspects of climate-related financial risk management and cover six areas: (i) governance; (ii) policies, procedures and limits; (iii) strategic planning; (iv) risk management; (v) data, risk measurement and reporting; and (vi) scenario analysis. On December 21, 2022, the NYSDFS proposed guidance on climate-related financial risk management applicable to NYSDFS-regulated banking and mortgage organizations, including M&T Bank. The proposed guidance would address material financial risks related to climate change faced by these organizations in the context of risk assessment, risk management, and risk appetite setting. On March 21, 2022, the SEC issued a proposed rule on the enhancement and standardization of climate-related disclosures for investors. The proposed rule would require public issuers, including the Company, to significantly expand the scope of climate-related disclosures in their SEC filings. In addition, several states in which the Company operates have enacted or proposed statutes or regulations addressing climate change and other sustainability issues. For example, in 2023 California enacted laws that will require, once final rules are promulgated, certain climate-related disclosures, including but not limited to greenhouse gas emissions data and climate-related risks.

Corporate Governance

M&T's Corporate Governance Standards and the following corporate governance documents are also available on M&T's website at the Investor Relations link: Audit Committee Charter; Compensation and Human Capital Committee Charter; Executive Committee Charter; Nomination and Governance Committee Charter; Risk Committee Charter; Code of Business Conduct and Ethics; Code of Ethics for Chief Executive Officer and Senior Financial Officers; and Disclosure and Regulation FD Policy. In accordance with SEC rules, M&T will post on its website or file a Form 8-K to report any amendment to or waiver from any provision of the Code of Ethics for Chief Executive Officer and Senior Financial Officers or the Code of Business Conduct and Ethics that applies to our Chief Executive Officer, Chief Financial Officer, Controller, or persons performing similar functions. Copies of such governance documents are also available, free of charge, to any person who requests them. Such requests may be directed to M&T Bank Corporation, Shareholder Relations Department, One M&T Plaza, Buffalo, NY 14203-2399 (Telephone: (716) 842-5986).

Human Capital Resources

M&T recognizes employees are the difference makers that drive its success. The Company's talent strategy focuses on recruiting, engaging, developing and retaining high-performing individuals whose strengths align with M&T's values, purpose and leadership competencies to create and maintain a highly competitive and diverse workforce.

As of December 31, 2023, the Company employed 22,223 full-time and part-time employees. The Company's current employee base is concentrated in the Northeast and Mid-Atlantic U.S., with approximately 46% of employees residing in New York, followed by approximately 10% in Maryland, 9% in Connecticut and 7% in Delaware. The remainder are primarily concentrated in other states where M&T Bank maintains a retail bank branch presence. Approximately 7% of the Company's employee

base resides outside of its retail banking footprint. Inclusive in the above, as of December 31, 2023, the Company employed 133 international employees predominantly based in the UK, Ireland, Canada and Germany. The Company's employee base includes 5,513 employees that support customers in the retail branch network. Overall, the average tenure of the Company's employees is 9.6 years and the average tenure of the Company's executive officers is 17.0 years. The SEC has announced plans to propose rules to require enhanced disclosure regarding human capital management and board diversity for public issuers.

Talent Attraction and Diversity, Equity and Inclusion

The Company leverages various channels to effectively identify, develop and recruit high-caliber talent throughout its footprint including its current employee base. The Employee Referral Program is a powerful tool for generating applicants and accounted for 19% of new hires in 2023. In addition, the Company's Talent Acquisition Ambassador Program, which currently includes 61 employees throughout different business lines, has contributed over 1,800 hours towards promoting awareness of M&T career opportunities within the Company's communities.

The Company's recruitment team strives to create and maintain diverse representation at all levels and in all areas of the organization to promote a sense of belonging among employees and maintain a workforce that reflects the communities the Company serves. Employees attended 74 individual diversity-based recruiting events in 2023 with target audiences crossing many diversity dimensions, such as people of color, veterans, LGBTQ+, individuals with disabilities and women. The Company also works with diversity-focused schools and organizations as part of its efforts to recruit and maintain a diverse workforce. In 2023, 44% of total corporate hires were people of color and 55% were women, 45% of summer interns were people of color, and 58% of the participants in the Company's Technology Internship Program were people of color. As of December 31, 2023, the entire Company's workforce consisted of approximately 59% women and 28% people of color. M&T also partners with the Department of Defense on two programs focused on providing active members approaching the end of their service with civilian work experience, industry training, and career development opportunities, post military.

To further drive diversity within the Company, M&T also supports several employee resource group charters and chapters, which are voluntary, employee-driven groups organized around a particular shared interest and characteristic, such as race, ethnicity, gender, sexual orientation or differing abilities. Approximately 35% of the Company's employees and 51% of managers are involved in these groups. The Company's diversity efforts are led by its Chief Diversity Officer, who is a member of senior leadership, and the Senior Leadership Diversity & Inclusion Council, both of which champion inclusion efforts throughout the Company. M&T's Board of Directors also receives regular updates on the Company's diversity, inclusion and belonging efforts.

Engagement and Development

M&T's commitment to recruiting top talent and regularly soliciting their feedback helps to create a highly engaged employee base that drives the Company's success. Since 2001, the Company has conducted 18 "Annual Engagement Surveys," with average participation rates around 90%, demonstrating a commitment to fostering candid, open and honest two-way communication with employees to enhance the workplace. In 2023, M&T transitioned to a more continuous employee listening strategy, checking in with employees on key engagement items throughout the year to develop a more holistic understanding of their experience, act faster on items impacting engagement and drive better prioritization and decision making. M&T also conducts other surveys at critical moments throughout an employees' journey, such as new hire onboarding or separation from the Company, as well as in connection with key events, such as acquisitions. Survey results are reviewed with senior management and shared with individual managers, who identify and implement improvements based

on employees' feedback, and are presented to M&T's Board of Directors. Employees also participate in action planning within individual work groups.

The Company also encourages engagement with communities through the allotment of 40 hours of paid volunteer time each year. In 2023, M&T employees volunteered approximately 249,000 hours and served on the boards of 946 not-for-profit organizations.

Another key pillar of engagement, employee development and growth, is fostered through the Company's strong performance management philosophy focused on reinforcing corporate values, providing continuous, transparent feedback and recognizing and rewarding outstanding performance. Additional employee development is cultivated through a variety of learning offerings on topics such as technical skills, job-specific knowledge and professional development, including courses aligned with the Company's enterprise-wide leadership competencies. Training content is made available as synchronous, asynchronous, and blended learning solutions to promote employee access. The Company also invests in creating its leaders of tomorrow through various internal programs including its Manager Acceleration Program, Management Development Program, Executive Associate Program, Technology Development Program and two additional programs focused on the Company's high-performing diverse employees, the Rising Leadership Development Program and Equity One.

Compensation, Health and Wellness

The Company provides comprehensive compensation and benefits programs intended to attract, retain and incentivize its employees. In addition to base pay, these programs (which vary by country and region) include cash incentives, long term equity-based awards, an employee stock purchase plan, a 401(k) Plan, healthcare and insurance benefits, health savings and flexible spending accounts, paid time off, parental leave, family care resources, flexible work schedules (if applicable), employee assistance programs and tuition assistance, among others. The Company is also dedicated to providing enhanced employee transparency around the efforts to ensure fair and equitable compensation for all team members.

The Company's wellness programs provide employees and their families with resources that may be helpful in navigating life events and are designed to provide support to help improve their well-being. In addition to addressing employees' physical needs through flexible and convenient medical plan and telemedicine options, M&T supports employees' emotional health and social well-being through various programs offered to employees. The Company also works to help employees manage their financial wellness through free educational resources.

Competition

The Company faces extensive and intensive competition in the products and services it offers. The Company competes in offering commercial and personal financial and wealth services with other banking institutions and thrifts and with firms in a number of other industries, such as credit unions, personal loan companies, sales finance companies, leasing companies, securities brokerage firms, mutual fund companies, hedge funds, wealth and investment advisory firms, insurance companies and other financial services-related entities. Furthermore, diversified financial services companies are able to offer a combination of these services to their customers on a nationwide basis. Financial technology companies, using digital, mobile and other technologies, also are increasingly offering traditional banking products and services, which has resulted in the Company contending with a broader range of competitors, including many that are not located within the geographic footprint of the Company's banking office network.

Other Information

Through a link on the Investor Relations section of M&T's website at www.mtb.com, copies of M&T's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, are made available, free of charge, as soon as reasonably practicable after electronically filing such material with, or furnishing it to, the SEC. Copies of such reports and other information are also available at no charge to any person who requests them or at www.sec.gov. Such requests may be directed to M&T Bank Corporation, Shareholder Relations Department, One M&T Plaza, Buffalo, NY 14203-2399 (Telephone: (716) 842-5986).

Item 1A. Risk Factors.**Risk Factors Summary****Market Risk**

- Weakness in the economy has adversely affected the Company in the past and may adversely affect the Company in the future.
- The Company's business and financial performance is impacted significantly by market interest rates and movements in those rates. The monetary, tax and other policies of governmental agencies, including the Federal Reserve, have a significant impact on interest rates and overall financial market performance over which the Company has no control and which the Company may not be able to anticipate adequately.
- The Company's business and performance is vulnerable to the impact of volatility in debt and equity markets.
- The Company's regional concentrations expose it to adverse economic conditions in its primary retail banking office footprint.
- The discontinuation of benchmark rates as permissible rate indices in new contracts and the development of alternative benchmark indices to replace discontinued benchmarks could adversely impact the Company's business and results of operations.

Risks Relating to Compliance and the Regulatory Environment

- The Company is subject to extensive government regulation and supervision and this regulatory environment can be and has been significantly impacted by financial regulatory reform initiatives.
- The Company may be subject to more stringent capital and liquidity requirements and new requirements relating to long-term debt.
- M&T's ability to return capital to shareholders and to pay dividends on common stock may be adversely affected by market and other factors outside of its control and will depend, in part, on the results of supervisory stress tests administered by the Federal Reserve.
- If an orderly liquidation of a systemically important BHC or non-bank financial company were triggered, M&T could face assessments for the OLF.

Credit Risk

- Deteriorating credit quality could adversely impact the Company.
- The Company may be adversely affected by the soundness of other financial institutions.

Liquidity Risk

- The Company must maintain adequate sources of funding and liquidity.
- If the Company is unable to maintain or grow its deposits, it may be subject to paying higher funding costs.
- M&T relies on dividends from its subsidiaries for its liquidity.

Strategic Risk

- The financial services industry is highly competitive and creates competitive pressures that could adversely affect the Company's revenue and profitability.
- Difficulties in obtaining regulatory approval for acquisitions and in combining the operations of acquired entities with the Company's own operations may prevent M&T from achieving the expected benefits from its acquisitions.
- The Company could suffer if it fails to attract and retain skilled personnel.

Operational Risk

- The Company is subject to operational risk which could adversely affect the Company's business and reputation and create material legal and financial exposure.
- The Company's information systems may experience interruptions or breaches in security, including due to events beyond the Company's control.
- The Company could incur higher costs, experience lower revenue, and suffer reputational damage in the event of the theft, loss or misuse of information, including due to a cybersecurity attack.
- The Company is subject to laws and regulations relating to the privacy of the information of customers, clients, employees or others, and any failure to comply with these laws and regulations could expose the Company to liability and/or reputational damage.
- M&T relies on other companies to provide key components of the Company's business infrastructure.
- The Company is or may become involved from time to time in suits, legal proceedings, information-gathering requests, investigations and proceedings by governmental and self-regulatory agencies that may lead to adverse consequences.

Business Risk

- Changes in accounting standards could impact the Company's reported financial condition and results of operations.
- The Company's reported financial condition and results of operations depend on management's selection of accounting methods and require management to make estimates about matters that are uncertain.
- The Company's models used for business planning purposes could perform poorly or provide inadequate information.
- The Company is exposed to reputational risk.
- The Company's framework for managing risks may not be effective.
- Pandemics, acts of war or terrorism and other adverse external events could significantly impact the Company's business.
- The Company's assets, communities, operations, reputation and customers could be adversely affected by the impacts of climate risk.

Risk Factors

M&T and its subsidiaries face a number of potential risks and uncertainties that are difficult to predict. As a financial institution, certain risk elements are inherent in the ordinary course of the Company's business activities and adverse experience with those risks could have a material impact on the Company's business, financial condition, liquidity and results of operations, as well as on the values of the Company's financial instruments and M&T's securities, including its common stock. The following risk factors set forth some of the risks that could materially and adversely impact the Company, although there may be additional risks that are not presently material or known that may adversely affect the Company.

Market Risk

Weakness in the economy has adversely affected the Company in the past and may adversely affect the Company in the future.

Poor business and economic conditions in general or specifically in markets served by the Company could have adverse effects on the Company's business including:

- A decrease in the demand for loans and other products and services offered by the Company.
- A decrease in net interest income derived from the Company's lending and deposit gathering activities.
- A decrease in the value of the Company's investment securities, loans held for sale or other assets secured by residential or commercial real estate.
- A decrease in fees from the Company's brokerage, trust, and investment management businesses associated with declines or lack of growth in stock market prices.
- Potential higher FDIC assessments due to the DIF falling below minimum required levels or special FDIC assessments relating to the failure of specific banks.
- An impairment of certain intangible assets, such as goodwill.
- An increase in the number of customers and counterparties who become delinquent, file for protection under bankruptcy laws or default on their loans or other obligations to the Company. An increase in the number of delinquencies, bankruptcies or defaults could result in higher levels of nonperforming assets, net charge-offs, provision for credit losses as well as impairment write-downs of certain investment securities and valuation adjustments on loans held for sale.

If recessionary economic conditions develop, they would likely have a negative financial impact across the financial services industry, including on the Company. If recessionary economic conditions are more severe, the extent of the negative impact on the Company's business and financial performance can increase and be more severe, including the adverse effects listed above and discussed throughout this "Risk Factors" section.

Supply chain constraints, robust demand and labor shortages have led to persistent inflationary pressures throughout the economy. Volatility and uncertainty related to inflation and the effects of inflation, including potentially higher interest rates, which may lead to increased costs for businesses and consumers and potentially contribute to poor business and economic conditions generally, may also enhance or contribute to some of the risks discussed herein. For example, higher inflation, or volatility and uncertainty related to inflation, could reduce demand for the Company's products, adversely affect the creditworthiness of the Company's borrowers, result in lower values for the Company's investment securities and other interest-earning assets and increase expense related to talent acquisition and retention.

Additionally, economic conditions, financial markets and inflationary pressures may be adversely affected by the impact of current or anticipated geopolitical uncertainties; military conflicts, including Russia's invasion of Ukraine and the attacks on Israel and conflict in the Middle East; pandemics, including the COVID-19 pandemic; and global, national and local responses thereto by governmental authorities and other third parties. These unpredictable events could create, increase or prolong economic and financial disruptions and volatility that adversely affects the Company's business, financial condition, capital and results of operations.

Concern regarding the ability of Congress to reach agreement on federal budgetary matters (including the debt ceiling), or total or partial governmental shutdowns, also can adversely affect the economy and increase the risk of economic instability or market volatility, which could have adverse consequences on our business, financial condition, liquidity and results of operations.

The Company's business and financial performance is impacted significantly by market interest rates and movements in those rates. The monetary, tax and other policies of governmental agencies, including the Federal Reserve, have a significant impact on interest rates and overall financial market performance over which the Company has no control and which the Company may not be able to anticipate adequately.

The Federal Reserve raised benchmark interest rates in 2022 and 2023 and may continue to raise or maintain interest rates in response to economic conditions, particularly inflationary pressures. As a result of the high percentage of the Company's assets and liabilities that are in the form of interest-bearing or interest-related instruments, changes in interest rates, including in the shape of the yield curve or in spreads between different market interest rates, as well as changes linked to inflation, can have a material effect on the Company's business and profitability and the value of the Company's assets and liabilities.

For example, changes in interest rates or interest rate spreads may:

- Affect the difference between the interest that the Company earns on assets and the interest that the Company pays on liabilities, which impacts the Company's overall net interest income and profitability.
- Adversely affect the ability of borrowers to meet obligations under variable or adjustable-rate loans and other debt instruments (including due to an inability to refinance loans), which, in turn, affects the Company's loss rates on those assets.
- Decrease the demand for interest rate-based products and services, including loans and deposits.
- Affect the Company's ability to hedge various forms of market and interest rate risk and may decrease the profitability or protection or increase the risk or cost associated with such hedges.
- Affect mortgage prepayment speeds and result in the impairment of capitalized mortgage servicing assets, reduce the value of loans held for sale and increase the volatility of mortgage banking revenues, potentially adversely affecting the Company's results of operations.

The monetary, tax and other policies of the government and its agencies, including the Federal Reserve, have a significant impact on interest rates and overall financial market performance. These governmental policies can thus affect the activities and results of operations of banking organizations such as the Company. An important function of the Federal Reserve is to regulate the national supply of bank credit and certain interest rates. The actions of the Federal Reserve influence the rates of interest that the Company charges on loans and that the Company pays on borrowings and interest-bearing deposits and can also affect the value of the Company's on-balance sheet and off-balance sheet financial instruments. Interest rate increases have reduced the value of the Company's investment portfolio, for example, by decreasing the estimated fair value of fixed income securities. Furthermore, as interest rates rise, the Company's unrealized gains on fixed income securities would ordinarily decrease and unrealized losses would ordinarily increase, which occurred in both 2022 and 2023 and could continue to occur in 2024. Also, due to the impact on rates for short-term funding, the Federal Reserve's policies influence, to a significant extent, the Company's cost of such funding, and increases in short-term interest rates have in the past increased, and may in the future increase, the Company's cost of short-term funding.

In addition, the Company is routinely subject to examinations from various governmental taxing authorities. Such examinations may result in challenges to the tax return treatment applied by the Company to specific transactions. Management believes that the assumptions and judgment used to record tax-related assets or liabilities have been appropriate. Should tax laws change or the tax

authorities determine that management's assumptions were inappropriate, the result and adjustments required could have a material effect on the Company's results of operations. M&T cannot predict the nature or timing of future changes in monetary, tax and other policies or the effect that they may have on the Company's business activities, financial condition and results of operations.

The Company's business and performance is vulnerable to the impact of volatility in debt and equity markets.

As most of the Company's assets and liabilities are financial in nature, the Company's performance is sensitive to the performance of the financial markets. Turmoil and volatility in U.S. and global financial markets can be a major contributory factor to overall weak economic conditions, leading to some of the risks discussed herein, including the impaired ability of borrowers and other counterparties to meet obligations to the Company. Financial market volatility may:

- Affect the value or liquidity of the Company's on-balance sheet and off-balance sheet financial instruments.
- Affect the value of capitalized servicing assets.
- Affect M&T's ability to access capital markets to raise funds. Inability to access capital markets if needed, at cost effective rates, could adversely affect the Company's liquidity and results of operations.
- Affect the value of the assets that the Company manages or otherwise administers or services for others. Although the Company is not directly impacted by changes in the value of such assets, decreases in the value of those assets would affect related fee income and could result in decreased demand for the Company's services.
- Impact the nature, profitability or risk profile of the financial transactions in which the Company engages.

Volatility in the markets for real estate and other assets commonly securing financial products has been and may continue to be a significant contributor to overall volatility in financial markets. In addition, unfavorable or uncertain economic and market conditions can be caused by supply chain disruptions, the imposition of tariffs or other limitations on international trade and travel, as well as elevated inflation, which can result in market volatility, negatively impact client activity, and adversely affect the Company's financial condition and results of operations.

The Company's regional concentrations expose it to adverse economic conditions in its primary retail banking office footprint.

The Company's core banking business is largely concentrated within the Company's retail banking office network footprint, located principally in the Northeast and Mid-Atlantic regions. Therefore, the Company is, or in the future may be, particularly vulnerable to adverse changes in economic conditions in the Northeast and Mid-Atlantic regions, as well as events particularly affecting those regions. The credit quality of the Company's borrowers may deteriorate for a number of reasons that are outside the Company's control, including as a result of prevailing economic and market conditions and asset valuations. The trends and risks affecting borrower credit quality, particularly in the Northeast and Mid-Atlantic regions, have caused, and in the future may cause, the Company to experience impairment charges, which are reductions in the recoverable value of an asset; increased purchase demands, wherein customers make withdrawals with minimum notice; higher costs (e.g. servicing, foreclosure, property maintenance); additional write-downs and losses and a potential impact to the ability to engage in lending transactions based on a reduction of customer deposits, which could have a material adverse effect on the Company's business, financial condition and results of operations.

The discontinuation of benchmark rates as permissible rate indices in new contracts and the development of alternative benchmark indices to replace discontinued benchmarks could adversely impact the Company's business and results of operations.

The Company's floating-rate funding, certain hedging transactions and a significant portion of the Company's products, such as floating-rate loans and mortgages, determine the applicable interest rate or payment amount by reference to a benchmark rate or to an alternative index.

In the past, the regulators and administrators of certain benchmark rates have determined to cease publication of those rates, and they may do so again in the future with respect to other benchmark rates the Company utilizes. Any cessation of a benchmark rate and resulting transition to a successor benchmark would be complex and unpredictable, giving rise to a variety of risks, including operational risks, risks of value transfer between contract parties, the potential for customer disputes and litigation, as well as regulatory scrutiny.

Risks Relating to Compliance and the Regulatory Environment

The Company is subject to extensive government regulation and supervision and this regulatory environment can be and has been significantly impacted by financial regulatory reform initiatives.

The Company is subject to extensive federal and state regulation and supervision. Banking regulations are primarily intended to protect consumers, depositors and the financial system as a whole, not securities holders, including the holders of common stock. These regulations and supervisory guidance affect the Company's sale and lending practices, capital structure, capital distributions and dividend policy, investment practices, growth and expansionary activity, among other things. Failure to comply with laws, regulations or policies, or to meet supervisory expectations, could result in civil or criminal penalties, including monetary penalties, the loss of FDIC insurance, the revocation of a banking charter, other sanctions by regulatory agencies, and/or reputational damage, which could have a material adverse effect on the Company's business, financial condition and results of operations. Following the failures of certain banks in 2023, banking regulators have proposed changes, or indicated the potential for changes, regarding the regulation and supervision of banking organizations, in particular those, such as M&T, with \$100 billion or more in assets. The introduction of new or more stringent regulatory requirements, as well as heightened supervisory expectations, could require the Company to maintain additional capital or liquidity or incur significant expenses.

Government authorities, including the bank regulatory agencies, can pursue aggressive enforcement actions with respect to compliance and other legal matters involving financial activities, which heightens the risks associated with actual and perceived compliance failures and may also adversely affect the Company's ability to enter into certain transactions or engage in certain activities, or obtain necessary regulatory approvals in connection therewith. In general, the amounts paid by financial institutions in settlement of proceedings or investigations have increased substantially and are likely to remain elevated. In some cases, governmental authorities have required criminal pleas or admissions of wrongdoing as part of such settlements, which could have significant collateral consequences for a financial institution, including loss of customers, restrictions on the ability to access the capital markets, and the inability to operate certain businesses or offer certain products for a period of time. In addition, enforcement matters could impact the Company's supervisory and CRA ratings, which may in turn restrict or limit the Company's activities. A prior enforcement action also increases the risk that regulators and governmental authorities pursue formal enforcement actions in connection with the resolution of an inquiry or investigation, even if unrelated to the prior enforcement action.

Any new regulatory requirements, changes to existing requirements, or changes to interpretations of requirements could require changes to the Company's businesses, result in increased compliance costs and affect the profitability of such businesses. Additionally, such activity could affect the

behaviors of third parties with which the Company deals in the ordinary course of business, such as rating agencies, insurance companies and investors. Heightened regulatory scrutiny, requirements or expectations could have significant effects on the Company, including through restrictions on growth or required remediation activities and associated resource requirements, and, in turn, could have a material adverse effect on the Company's business, financial condition and results of operations.

There have been significant revisions to the laws and regulations applicable to the Company that have been enacted or proposed in recent years, and additional proposed changes are anticipated. Many of these and other rules to implement the changes have yet to be finalized, and the final timing, scope and impact of these changes to the regulatory framework applicable to financial institutions remain uncertain. For more information on the regulations to which the Company is subject and recent initiatives to reform financial institution regulation, see Part I, Item 1, "Business."

The Company may be subject to more stringent capital and liquidity requirements and new requirements relating to long-term debt.

BHCs, including M&T, are subject to capital and liquidity requirements and standards imposed as a result of the Dodd-Frank Act (as amended by EGRRCPA) and the U.S. Basel III-based capital rules. For additional information, see "Capital Requirements" under Part I, Item 1, "Business."

Regulators have implemented and may, from time to time, implement changes to these regulatory capital adequacy and liquidity requirements. If the Company fails to meet these minimum capital adequacy and liquidity requirements and other regulatory requirements, its business activities, including lending, and its ability to expand, either organically or through acquisitions, could be limited. It could also result in M&T being required to take steps to increase its regulatory capital that may be dilutive to shareholders or limit its ability to pay dividends or otherwise return capital to shareholders, or sell or refrain from acquiring assets. In addition, the liquidity-related provisions of the Federal Reserve's liquidity-related enhanced prudential supervision requirements may reduce the Company's ability to invest in other longer-term assets even if deemed more desirable from a balance sheet management perspective, which could adversely affect its net interest income and net interest margin. A determination by the Federal Reserve that M&T does not meet supervisory expectations regarding capital planning or liquidity risk management could have a variety of adverse consequences, including ratings downgrades, heightened supervisory scrutiny, expenses associated with remediation activities and potentially an enforcement action.

See "Capital Requirements" and "Resolution Planning and Resolution-Related Requirements" under Part I, Item 1, "Business" for information regarding the federal banking regulators' July 2023 proposal implementing the revisions to the Basel capital framework and August 2023 long-term debt proposal. The long-term debt proposal, if adopted, would require M&T to maintain more long-term debt than it does currently, which may adversely affect interest expense, net interest income and net interest margin.

M&T's ability to return capital to shareholders and to pay dividends on common stock may be adversely affected by market and other factors outside of its control and will depend, in part, on the results of supervisory stress tests administered by the Federal Reserve.

Any decision by M&T to return capital to shareholders, whether through a common stock dividend or a common stock share repurchase program, requires the approval of M&T's Board of Directors and must comply with applicable capital regulations, including the maintenance of capital ratios exceeding specified minimum levels and applicable buffers.

For BHCs designated as Category IV institutions under the Tailoring Rules, including M&T, the Federal Reserve conducts biennial supervisory stress tests required under the Dodd-Frank Act whereby the BHC's financial position is tested under assumed severely adverse economic conditions. The results of those stress tests are incorporated in the determination of M&T's SCB. As a general matter,

if M&T is unable to maintain capital in excess of regulatory minimum levels inclusive of its SCB, it would be subject to limitations on its ability to make capital distributions, including paying dividends and repurchasing stock. In June 2023, the Federal Reserve released the results of its most recent supervisory stress tests, and based on those results, on October 1, 2023, M&T's SCB of 4.0% became effective. The results of future supervisory stress tests and the impact of proposed revisions to capital and long-term debt requirements upon the stress testing framework are uncertain, and a more severe outcome may result in a higher SCB and an increase in M&T's effective capital requirements. An increased SCB may restrict M&T's ability to return capital to shareholders, including through paying dividends, entering into acquisitions or repurchasing its common stock, which in turn could negatively impact market and investor perceptions of M&T.

The Federal Reserve has in the past implemented, and may in the future implement, restrictions on share repurchase programs and common stock dividends at large BHCs such as M&T, including in response to adverse or uncertain economic conditions.

If an orderly liquidation of a systemically important BHC or non-bank financial company were triggered, M&T could face assessments for the OLF.

The Dodd-Frank Act created a mechanism, the OLF, for liquidation of systemically important BHCs and non-bank financial companies. The OLF is administered by the FDIC and is based on the FDIC's bank resolution model. The Secretary of the U.S. Treasury may trigger a liquidation under this authority after consultation with the President of the U.S. and after receiving a recommendation from the boards of the FDIC and the Federal Reserve upon a two-thirds vote. Liquidation proceedings will be funded by the OLF, which will borrow from the U.S. Treasury and impose risk-based assessments on covered financial companies. Risk-based assessments would be first made on entities that received more in the resolution than they would have received in the liquidation to the extent of such excess, and second, if necessary, on, among others, BHCs with total consolidated assets of \$50 billion or more, such as M&T. Any such assessments may adversely affect the Company's business, financial condition or results of operations.

Credit Risk

Deteriorating credit quality could adversely impact the Company.

As a lender, the Company is exposed to the risk that customers will be unable to repay their loans and other obligations in accordance with the terms of the relevant agreements, and that any collateral securing the loans and obligations may be insufficient to assure full repayment. Credit losses are inherent in the business of making loans and entering into other financial arrangements.

Factors that influence the Company's credit loss experience include overall economic conditions affecting businesses and consumers, generally, but also residential and commercial real estate valuations, in particular, given the size of the Company's real estate loan portfolios. Factors that can influence the Company's credit loss experience include: (i) the impact of residential real estate values on loans to residential real estate builders and developers and other loans secured by residential real estate; (ii) the concentrations of commercial real estate loans in the Company's loan portfolio, including in the office, retail, healthcare and multifamily sectors and in the New York City area; (iii) the amount of commercial and industrial loans to businesses in areas of New York State outside of the New York City area and in central Pennsylvania that have historically experienced less economic growth and vitality than many other regions of the country; (iv) the repayment performance associated with first and second lien loans secured by residential real estate; and (v) the size of the Company's portfolio of loans to individual consumers, which historically have experienced higher net charge-offs as a percentage of loans outstanding than loans to other types of borrowers. The Company's credit risk and the performance of its lending portfolios may be affected by concentration in an industry,

geography or asset type. As described further in this “Risk Factors” section, the Company’s credit risks may be increased by the impacts of inflation, poor or recessionary economic conditions and financial market volatility.

Commercial real estate valuations can be highly subjective as they are based upon many assumptions. Such valuations can be significantly affected over relatively short periods of time by changes in business climate, economic conditions, interest rates and, in many cases, the results of operations of businesses and other occupants of the real property. Emerging and evolving factors such as the shift to work-from-home or hybrid-work arrangements, changing consumer preferences (including for online shopping), and resulting changes in occupancy rates as a result of these and other trends can also impact such valuations over relatively short periods. Similarly, residential real estate valuations can be impacted by housing trends, the availability of financing at reasonable interest rates, governmental policy regarding housing and housing finance, and general economic conditions affecting consumers, as described above.

The Company maintains an allowance for credit losses which represents, in management’s judgment, the amount of losses expected in the loan and lease portfolio. The allowance is determined by management’s evaluation of the loan and lease portfolio based on such factors as the differing economic risks associated with each loan category, the current financial condition of specific borrowers, the economic environment in which borrowers operate, the level of delinquent loans, the value of any collateral and, where applicable, the existence of any guarantees or indemnifications. Management believes that the allowance for credit losses as of December 31, 2023 appropriately reflects expected credit losses in the loan and lease portfolio. However, there is no assurance that the allowance is sufficient to cover all credit losses that may occur.

The Company may be adversely affected by the soundness of other financial institutions.

Financial services institutions are interrelated as a result of trading, clearing, counterparty, or other relationships. The Company has exposure to many different industries and counterparties, and routinely executes transactions with counterparties in the financial services industry, including commercial banks, brokers and dealers, investment banks, and other institutional clients. Many of these transactions expose the Company to credit risk in the event of a default by a counterparty or client. In addition, the Company’s credit risk may be exacerbated when the collateral held by the Company cannot be realized or is liquidated at prices not sufficient to recover the full amount of the credit due to or derivative exposure of the Company. Any resulting losses could have a material adverse effect on the Company’s financial condition and results of operations.

In addition, adverse developments at other financial institutions, including failures of other financial institutions, could result in negative media coverage regarding the financial services industry, which may negatively influence the perceptions of investors, borrowers or depositors regarding the financial services industry in general, a subset of financial institutions or M&T in particular.

Liquidity Risk

The Company must maintain adequate sources of funding and liquidity.

The Company must maintain adequate funding sources in the normal course of business to support its operations and fund outstanding liabilities, as well as meet regulatory requirements and supervisory expectations. The Company relies on core customer deposits to be a low cost and stable source of funding for the loans it makes and the operations of its business. Core customer deposits, which include noninterest-bearing deposits, interest-bearing transaction accounts, savings deposits and time deposits of \$250,000 or less, have historically provided the Company with a sizeable source of relatively stable and low-cost funds. In addition to customer deposits, sources of liquidity include brokered deposits

and borrowings from securities dealers, various FHLBs and the FRB of New York, as well as the debt and equity capital markets.

The Company's liquidity and ability to fund and operate the business could be materially adversely affected by a variety of conditions and factors, including financial and credit market disruptions and volatility or a lack of market or customer confidence in financial markets in general, which may result in a loss of customer deposits or outflows of cash or collateral and/or ability to access capital markets on favorable terms. Negative news about the Company or the financial services industry generally may reduce market or customer confidence in the Company, which could in turn materially adversely affect the Company's liquidity and funding. Such reputational damage may result in the loss of customer deposits, the inability to sell or securitize loans or other assets, and downgrades in one or more of the Company's credit ratings, and may also negatively affect the Company's ability to access the capital markets. A downgrade in the Company's credit ratings, which could result from general industry-wide or regulatory factors not solely related to the Company, could adversely affect the Company's ability to borrow funds, including by raising the cost of borrowings substantially, and could cause creditors and business counterparties to raise collateral requirements or take other actions that could adversely affect M&T's ability to raise capital. Many of the above conditions and factors may be caused by events over which M&T has little or no control. There can be no assurance that significant disruption and volatility in the financial markets will not occur in the future.

Regulatory changes relating to liquidity and risk management may also negatively impact the Company's results of operations and competitive position. Various regulations have been adopted to impose more stringent liquidity requirements for large financial institutions, including the Company. These regulations address, among other matters, liquidity stress testing and minimum liquidity requirements. The application of certain of these regulations to banking organizations, such as the Company, have been modified, including in connection with the implementation of the Tailoring Rules in the EGRRCPA. Following the failures of certain large banks in 2023, banking regulators indicated they may revise the liquidity requirements applicable to large financial institutions.

If the Company is unable to continue to fund assets through customer bank deposits or access funding sources on favorable terms or if the Company suffers an increase in borrowing costs or otherwise fails to manage liquidity effectively, the Company's liquidity, operating margins, financial condition and results of operations may be materially adversely affected. The Company may also need to raise additional capital and liquidity through the issuance of stock, which could dilute the ownership of existing stockholders, or reduce or even eliminate common stock dividends or share repurchases to preserve capital and liquidity.

If the Company is unable to maintain or grow its deposits, it may be subject to paying higher funding costs.

The total amount that the Company pays for funding costs is dependent, in part, on the Company's ability to maintain or grow its deposits. If the Company is unable to sufficiently maintain or grow its deposits to meet liquidity objectives, it may be subject to paying higher funding costs. The Company competes with banks and other financial services companies for deposits. Increases in short-term interest rates have resulted in and may continue to result in more intense competition in deposit pricing and with respect to non-deposit financial products. If competitors raise the rates they pay on deposits, the Company's funding costs may increase, either because the Company raises rates to avoid losing deposits or because the Company loses deposits and must rely on more expensive sources of funding. Customers may also move noninterest-bearing deposits to interest-bearing accounts, increasing the cost of those deposits. Checking and savings account balances and other forms of customer deposits may decrease when customers perceive alternative investments, such as the stock market, as providing a better risk/return tradeoff. The Company's bank customers could withdraw their money and put it in

alternative investments, causing the Company to lose a lower cost source of funding. Higher funding costs could reduce the Company's net interest margin and net interest income.

The Company could be subject to sudden withdrawals of deposits, including as a result of negative media coverage, which may be spread through social media, regarding the financial services industry generally, a subset of financial institutions or M&T specifically. Online and mobile banking have made it easier for customers to withdraw their deposits or transfer funds to other accounts with short notice. This may make retaining deposits during periods of stress more difficult. In addition, depositors of certain types of deposits, such as uninsured or uncollateralized deposits, may be more likely to withdraw their deposits and do so more quickly. Any such withdrawals could result in higher funding costs to the Company as it loses a lower cost source of funding, and significant unanticipated withdrawals could materially and adversely affect the Company's liquidity, financial condition and results of operations.

M&T relies on dividends from its subsidiaries for its liquidity.

M&T is a separate and distinct legal entity from its subsidiaries. M&T has typically received a substantial amount of its revenue from subsidiary dividends. These dividends have been M&T's principal source of funds to pay dividends on common and preferred stock, pay interest and principal on its debt, and fund purchases of its common stock. Various federal and/or state laws and regulations, as well as regulatory expectations, limit the amount of dividends that M&T's banking subsidiaries and certain non-bank subsidiaries may pay. Regulatory scrutiny of capital and liquidity levels at BHCs and IDI subsidiaries has increased in recent years and has resulted in increased regulatory focus on all aspects of capital planning, including dividends and other distributions to shareholders of banks, such as parent BHCs. See Part I, Item 1, "Business," "Supervision and Regulation of the Company" and "Distributions" for discussions of regulatory and other restrictions on dividend declarations. Also, M&T's right to participate in a distribution of assets upon a subsidiary's liquidation or reorganization is subject to the prior claims of that subsidiary's creditors. Limitations on M&T's ability to receive dividends from its subsidiaries could have a material adverse effect on its liquidity and ability to pay dividends on its stock or interest and principal on its debt, and ability to fund purchases of its common stock.

Strategic Risk

The financial services industry is highly competitive and creates competitive pressures that could adversely affect the Company's revenue and profitability.

The financial services industry in which the Company operates is highly competitive. The Company competes not only with commercial and other banks and thrifts, but also with private credit funds, insurance companies, mutual funds, hedge funds, securities brokerage firms, financial technology companies and other companies offering financial services in the U.S., globally and over the Internet. Some of the Company's non-bank competitors are not subject to the same extensive regulations the Company is, and may have greater flexibility in competing for business. In particular, the activity and prominence of so-called marketplace lenders and other technological financial services companies has grown significantly in recent years and is expected to continue growing. The Company competes on the basis of several factors, including capital, access to capital, revenue generation, products, services, transaction execution, innovation, reputation and price. Over time, certain sectors of the financial services industry have become more concentrated, as institutions involved in a broad range of financial services have been acquired by or merged into other firms. These developments have and could continue to result in the Company's competitors gaining greater capital and other resources, such as a broader range of products and services and geographic diversity. The Company has and may continue

to experience pricing pressures as a result of these factors and as some of its competitors seek to increase market share.

Technological change is influencing how individuals and firms conduct their financial affairs and is changing the delivery channels for financial services. Financial technology providers, who invest substantial resources in developing and designing new technology (in particular digital and mobile technology) are beginning to offer more traditional banking products (either directly or through bank partnerships) and may in the future be able to provide additional services by obtaining a bank-like charter, such as the OCC's financial technology company charter. In addition, the emergence, adoption and evolution of new technologies that do not require intermediation, including distributed ledgers such as digital assets and blockchain, as well as advances in robotic process automation, could significantly affect the competition for financial services. As a result, the Company has had and will likely continue to have to contend with a broader range of competitors including many that are not located within the geographic footprint of its banking office network. Further, along with other participants in the financial services industry, the Company frequently attempts to introduce new technology-driven products and services that are aimed at allowing the Company to better serve customers and to reduce costs. The Company may not be able to effectively implement new technology-driven products and services that allow it to remain competitive or be successful in marketing these products and services to its customers.

Difficulties in obtaining regulatory approval for acquisitions and in combining the operations of acquired entities with the Company's own operations may prevent M&T from achieving the expected benefits from its acquisitions.

M&T has expanded its business through past acquisitions and may do so in the future. The Company's ability to complete acquisitions is in many instances subject to regulatory approval, and the Company cannot be certain when or if, or on what terms and conditions, any required regulatory approvals would be granted. In recent years, federal authorities, including the bank regulators and Department of Justice, have increased their scrutiny of bank mergers and acquisitions, and there is continued uncertainty with regard to how they will evaluate bank mergers and acquisitions, including from an antitrust perspective. Any requisite approval could be delayed or not obtained at all, including due to, among other factors, an adverse development in either party's regulatory standing or in any other factors considered by regulators when granting such approval, including factors not known at the time of entering into the definitive agreement for the acquisition or submission of the related application for regulatory approval, and factors that may arise subsequently; governmental, political or community group inquiries, investigations or opposition; or changes in legislation or the political environment more generally. Anticipated challenges in obtaining any requisite regulatory approval, or uncertainty as to the prospects for obtaining approvals, could also prevent the Company from pursuing a potential acquisition it may otherwise view as attractive.

In addition, inherent uncertainties exist when integrating the operations of an acquired entity, such as with respect to the Company's People's United acquisition in April 2022. Acquiring other entities involves potential risks that could have a material adverse impact on the Company's business, financial condition and results of operations, including:

- Inability to fully achieve the Company's strategic objectives and planned operating efficiencies in an acquisition.
- Issues arising during transition and integration.
- Disruption of the Company's business and diversion of management's time and attention.
- Exposure to unknown or contingent liabilities of acquired institutions.
- Loss of key employees and customers of acquired institutions.
- Dilution in the ownership percentage of holders of M&T common stock.

- Payment of a premium over book and market values that may dilute the Company's tangible book value and earnings per common share in the short and long-term.
- Inability to realize the expected benefits of the acquisition due to lower financial results pertaining to the acquired entity (for example, the Company could experience higher credit losses, incur higher operating expenses or realize less revenue than originally anticipated related to an acquired entity).
- Changes in banking or tax laws or regulations that could impair or eliminate the expected benefits of merger and acquisition activities.
- Reputational risks.

The Company could suffer if it fails to attract and retain skilled personnel.

The Company's success depends, in large part, on its ability to attract and retain key individuals and to have a diverse workforce. Competition for qualified and diverse candidates in the activities in which the Company engages and markets that the Company serves is significant, and the Company may not be able to hire candidates and retain them. Growth in the Company's business, including through acquisitions, may increase its need for additional qualified personnel. The Company is increasingly competing for personnel with financial technology providers and other less regulated entities who may not have the same limitations on compensation as the Company does. Recruiting and compensation costs may increase as a result of changes in the marketplace, which may increase costs and adversely impact the Company. The increase in remote and hybrid-work arrangements and opportunities in regional, national and global labor markets has also increased competition for the Company to attract and retain skilled personnel. The Company's current or future approach to in-office and remote-work arrangements may not meet the needs or expectations of current or prospective employees or may not be perceived as favorable as compared with the arrangements offered by other companies, which could adversely affect the Company's ability to attract and retain employees. If the Company is not able to hire or retain highly skilled, qualified and diverse individuals, it may be unable to execute its business strategies and may suffer adverse consequences to its business, financial condition and results of operations.

The Company's compensation practices are subject to review and oversight by the Federal Reserve, the OCC, the FDIC and other regulators. The federal banking agencies have issued joint guidance on executive compensation designed to help ensure that a banking organization's incentive compensation policies do not encourage imprudent risk taking and are consistent with the safety and soundness of the organization. In addition, the Dodd-Frank Act required those agencies, along with the SEC, to adopt rules to require reporting of incentive compensation and to prohibit certain compensation arrangements. If as a result of complying with such rules the Company is unable to attract and retain qualified employees, or do so at rates necessary to maintain its competitive position, or if the compensation costs required to attract and retain employees become more significant, the Company's performance, including its competitive position, could be materially adversely affected.

Operational Risk

The Company is subject to operational risk which could adversely affect the Company's business and reputation and create material legal and financial exposure.

Like all businesses, the Company is subject to operational risk, which represents the risk of loss resulting from human error or misconduct, inadequate or failed internal processes and systems, and external events, including the risk of loss resulting from fraud by employees or persons outside the Company, and breaches in data security. Operational risk also encompasses reputational risk and compliance and legal risk, which is the risk of loss from violations of, or noncompliance with, laws, rules, regulations, prescribed practices or ethical standards, as well as the risk of noncompliance with

contractual and other obligations. The Company is also exposed to the above referenced operational risks through outsourcing arrangements, as such outsourcing vendors are exposed to operational risks themselves, as well as the effects that changes in circumstances or capabilities of its outsourcing vendors can have on the Company's ability to continue to perform operational functions necessary to its business. Although the Company seeks to mitigate operational risk through a system of internal controls that are reviewed and updated, no system of controls, however well designed and maintained, is infallible. Control weaknesses or failures or other operational risks could result in charges, increased operational costs, harm to the Company's reputation or foregone business opportunities.

The Company's information systems may experience interruptions or breaches in security, including due to events beyond the Company's control.

The Company relies heavily on communications and information systems, including those of third-party service providers, to conduct its business. Any failure, interruption or breach in security of these systems could result in disruptions to its accounting, deposit, loan and other systems, and adversely affect the Company's customer relationships. Disruption of operating systems caused by events beyond the Company's control may include computer viruses, electrical or telecommunications outages, quality of vulnerability patches, cybersecurity attacks (including Distributed Denial of Service attacks, which occur when legitimate users are unable to access information systems, devices, or other network resources due to the actions of a malicious cyber threat actor), damage to property or physical assets, or events arising from political protests or terrorist acts. While the Company has policies and procedures designed to prevent or limit the effect of these possible events, there can be no assurance that any such failure, disruption, interruption or security breach will not occur or, if any does occur, that it can be sufficiently or timely remediated.

Information security risks for large financial institutions such as M&T have increased significantly in recent years in part because of the proliferation of new technologies, such as digital and mobile banking to conduct financial transactions, and the increased sophistication and activities of organized crime, hackers, terrorists, nation-states, activists and other external parties. There have been increasing efforts on the part of third parties, including through cybersecurity attacks, to breach data security at financial institutions or with respect to financial transactions. There have been numerous instances involving financial services and consumer-based companies reporting unauthorized access to and disclosure of client or customer information or the destruction or theft of corporate data, including by executive impersonation and third party vendors, or the freezing of operating systems and databases making them inaccessible or unusable. There have also been several highly publicized cases where hackers have requested "ransom" payments in exchange for not disclosing customer information or for restoring access to, or the usage of, operating systems and databases. Ransomware is a form of malicious software, known as "malware," designed to block access to, and often encrypt, computer systems or data. Once the victim's computer system or data is locked down and encrypted, rendering it essentially useless, the malicious cyber actor then extorts the victim by demanding a ransom payment in exchange for providing a method to decrypt it. The attacker may also copy the victim's data in the course of the attack and threaten to sell or publish the data if the ransom is not paid. Ransomware attacks can result in a loss of business functionality and of sensitive data.

As cybersecurity threats continue to evolve, the Company expects to continue to expend significant additional resources to modify or enhance its layers of defense or to investigate and remediate any information security vulnerabilities. The techniques used by cybersecurity criminals change frequently, may not be recognized until launched and can be initiated by a variety of actors, including terrorist organizations and hostile foreign governments. These techniques may include attempts to fraudulently induce employees, customers or others to disclose sensitive information in order to gain access to data or systems. These risks may increase as the use of mobile payment and other Internet-based applications expands.

Further, third parties with which the Company does business, as well as vendors and other third parties with which the Company's customers do business, can also be sources of information security risk to the Company, particularly where activities of customers are beyond the Company's security and control systems, such as through the use of the Internet, personal computers, tablets, smart phones and other mobile services. Risks relating to cybersecurity attacks on vendors and other third parties, including supply chain attacks affecting software and information technology service providers, have been rising as such attacks become increasingly frequent and severe. For example, in 2023, a widely reported global cybersecurity incident occurred involving MOVEit, a file transfer software product owned by Progress Software Corporation that is used by thousands of public and private sector entities worldwide. As reported, this incident resulted in the theft of sensitive data from a large number of organizations, and certain Company customer information in the possession of the Company's external service providers was compromised in connection with it, while no information was obtained from the Company's internal systems and these systems were not at risk from the MOVEit incident.

Security breaches affecting the Company's customers, or systems breakdowns, failures, security breaches or employee misconduct affecting such other third parties, may require the Company to take steps to protect the integrity of its own systems or to safeguard confidential information of the Company or its customers, thereby increasing the Company's operational costs and adversely affecting its business. Additionally, successful cybersecurity attacks at other large financial institutions, whether or not the Company is impacted, could lead to a general loss of customer confidence in financial institutions that could negatively affect M&T, including harming the market perception of the effectiveness of the Company's security measures or the financial system in general which could result in reduced use of the Company's financial products. Though the Company has insurance against some cybersecurity risks and attacks, it may not be sufficient to offset the impact of a material loss event.

The Company, as well as third parties with which the Company does business, has expanded the use of cloud service providers, which could experience system breakdowns or failures, outages, downtime, cybersecurity attacks, negative changes to financial condition, bankruptcy, or other adverse conditions, which could have a material adverse effect on the Company's business and reputation. For example, during 2021, there were a number of widely publicized cases of outages in connection with access to cloud service providers. Thus, increasing the amount of infrastructure that the Company or its vendors and service providers outsource to the cloud or to other parties may increase M&T's risk exposure. The failure to properly upgrade or maintain the computer systems could result in greater susceptibility to attacks, particularly in light of the greater frequency and severity of attacks in recent years, as well as the growing prevalence of supply chain attacks affecting software and information technology service providers. Failures related to upgrades and maintenance also increase risks related to unauthorized access and misuse, as well as the Company's ability to achieve its business continuity and resiliency objectives.

The Company could incur higher costs, experience lower revenue, and suffer reputational damage in the event of the theft, loss or misuse of information, including due to a cybersecurity attack.

Like other financial services firms, the systems, networks and devices of the Company, its customers, employees, service providers or other third parties with whom the Company interacts continue to be the subject of attempted unauthorized access, denial-of-service attacks, computer viruses, hacking, malware, ransomware, phishing or other forms of social engineering, and cybersecurity attacks designed to obtain confidential information, destroy data, disrupt or degrade service, eliminate access or cause other damage. These threats may arise from human error, fraud on the part of employees, insiders or third parties or may result from accidental technology failure or vulnerabilities of suppliers through supply chain attacks. Further, cybersecurity and information security risks for financial institutions have generally increased because of, among other things, the growth of new technologies, the use of the Internet and telecommunications technologies (including computers, smartphones, and

other mobile devices outside the Company's systems) by customers to conduct financial transactions, and the increased sophistication and activities of organized crime, fraudsters, hackers, terrorists, activists, instrumentalities of foreign governments and other external parties.

Although the Company believes that a robust suite of authentication and layered security controls, data encryption and tokenization, threat intelligence, anti-malware defenses and vulnerability management tools exist, the failure of any of these controls could result in a failure to detect, mitigate or remediate these risks in a timely manner. Moreover, potential new regulations may require the Company to disclose information about a cybersecurity event before it has been resolved or fully investigated. Further, as the Company expands its mobile and digital capabilities, cybersecurity risks increase.

A disruption or breach, including as a result of a cybersecurity attack, or media reports of perceived security vulnerabilities at the Company or at third-party service providers could result in significant legal and financial exposure, regulatory intervention, remediation costs, damage to reputation or loss of confidence in the security of systems, products and services that could adversely affect the Company's business. Like other U.S. financial services providers, the Company continues to be targeted with evolving and adaptive cybersecurity threats from sophisticated third parties. Although the Company is not aware of any material losses relating to cybersecurity incidents, there can be no assurance that unauthorized access or cybersecurity incidents will not become known or occur or that the Company will not suffer such losses in the future.

The Company is subject to laws and regulations relating to the privacy of the information of customers, clients, employees or others, and any failure to comply with these laws and regulations could expose the Company to liability and/or reputational damage.

The Company is also subject to laws and regulations relating to the privacy of the information of customers, clients, employees or others, and any failure to comply with these laws and regulations could expose the Company to liability and/or reputational damage. New privacy and data protection initiatives will impose additional operational burdens on the Company, may limit the Company's ability to pursue desirable business initiatives and increase the risks associated with any future use of customer data. Significant examples include the General Data Protection Act, the UK General Data Protection Act, known as The Data Protection Act of 2018, and the California Consumer Privacy Act. Compliance with these and other laws and regulations may require changes to policies, procedures and technology for information security and segregation of data, which could, among other things, make the Company more vulnerable to operational failures, and to monetary penalties, litigation or regulatory enforcement actions for breach of such laws and regulations.

As privacy-related laws and regulations are implemented, they may also limit how companies like M&T can use personal data and impose obligations on companies in their management of such data. The time and resources needed for the Company to comply with such laws and regulations, as well as its potential liability for non-compliance and reporting obligations in the case of data breaches, may significantly increase. The impacts will be greater to the extent requirements vary across jurisdictions.

M&T relies on other companies to provide key components of the Company's business infrastructure.

Third parties provide key components of the Company's business infrastructure such as banking services, processing, and Internet connections and network access. Any disruption in such services provided by these third parties or any failure of these third parties to handle current or higher volumes of use could adversely affect the Company's ability to deliver products and services to clients and otherwise to conduct business. Technological or financial difficulties of a third party service provider could adversely affect the Company's business to the extent those difficulties result in the interruption or discontinuation of services provided by that party. The Company may not be insured against all

types of losses as a result of third party failures and insurance coverage may be inadequate to cover all losses resulting from system failures or other disruptions. Failures in the Company's business infrastructure could interrupt the operations or increase the costs of doing business.

Additionally, the Company is exposed to the risk that a service disruption at a common service provider to the Company's third-party service providers could impede their ability to provide services to the Company. Notwithstanding any attempts to diversify its reliance on third parties, the Company may not be able to effectively mitigate operational risks relating to its vendors' use of common service providers.

The Company is or may become involved from time to time in suits, legal proceedings, information-gathering requests, investigations and proceedings by governmental and self-regulatory agencies that may lead to adverse consequences.

Many aspects of the Company's business and operations involve substantial risk of legal liability. M&T and/or its subsidiaries have been named or threatened to be named as defendants in various lawsuits arising from its or its subsidiaries' business activities (and in some cases from the activities of companies M&T has acquired). In addition, from time to time, M&T is, or may become, the subject of governmental and self-regulatory agency information-gathering requests, reviews, investigations and proceedings and other forms of regulatory inquiry, including by bank and other regulatory agencies, the SEC and law enforcement authorities. The SEC has announced a policy of seeking admissions of liability in certain settled cases, which could adversely impact the defense of private litigation. M&T is also at risk with respect to its obligations to indemnify directors and officers of it and its subsidiaries in connection with certain legal matters as well as in situations where it has agreed to indemnify others for losses related to legal proceedings, including for litigation and governmental investigations and inquiries, such as in connection with the purchase or sale of a business or assets. The results of such proceedings could lead to significant civil or criminal penalties, including monetary penalties, damages, adverse judgments, settlements, fines, injunctions, restrictions on the way in which the Company conducts its business, or reputational harm.

Although the Company establishes accruals for legal proceedings when information related to the loss contingencies represented by those matters indicates both that a loss is probable and that the amount of loss can be reasonably estimated, the Company does not have accruals for all legal proceedings where it faces a risk of loss. In addition, due to the inherent subjectivity of the assessments and unpredictability of the outcome of legal proceedings, amounts accrued may not represent the ultimate loss to the Company from the legal proceedings in question. Thus, the Company's ultimate losses may be higher, and possibly significantly so, than the amounts accrued for legal loss contingencies, which could adversely affect the Company's financial condition and results of operations.

Business Risk

Changes in accounting standards could impact the Company's reported financial condition and results of operations.

The accounting standard setters, including the FASB, the SEC and other regulatory bodies, periodically change the financial accounting and reporting standards that govern the preparation of the Company's consolidated financial statements. These changes can be difficult to predict and can materially impact how the Company records and reports its financial condition and results of operations. In some cases, the Company could be required to apply a new or revised standard retroactively, which would result in the restating of the Company's prior period financial statements. Information about recently adopted and not as yet adopted accounting standards is included in note 27 of Notes to Financial Statements included in Part II, Item 8, "Financial Statements and Supplemental Data" of this Form 10-K.

The Company's reported financial condition and results of operations depend on management's selection of accounting methods and require management to make estimates about matters that are uncertain.

Accounting policies and processes are fundamental to the Company's reported financial condition and results of operations. Some of these policies require use of estimates and assumptions that may affect the reported amounts of assets or liabilities and financial results. Several of M&T's accounting policies are critical because they require management to make difficult, subjective and complex judgments about matters that are inherently uncertain and because it is likely that materially different amounts would be reported under different conditions or using different assumptions. Pursuant to GAAP, management is required to make certain assumptions and estimates in preparing the Company's financial statements. If assumptions or estimates underlying the Company's financial statements are incorrect, the Company may experience material losses.

Management has identified certain accounting policies as being critical because they require management's judgment to ascertain the valuations of assets, liabilities, commitments and contingencies. A variety of factors could affect the ultimate value that is obtained either when earning income, recognizing an expense, recovering an asset, valuing an asset or liability, or recognizing or reducing a liability. M&T has established detailed policies and control procedures that are intended to ensure these critical accounting estimates and judgments are well controlled and applied consistently. In addition, the policies and procedures are intended to ensure that the process for changing methodologies occurs in an appropriate manner. Because of the uncertainty surrounding judgments and the estimates pertaining to these matters, M&T could be required to adjust accounting policies or restate prior period financial statements if those judgments and estimates prove to be incorrect. For additional information, see "Critical Accounting Estimates" in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and note 1 of Notes to Financial Statements in Part II, Item 8.

The Company's models used for business planning purposes could perform poorly or provide inadequate information.

The Company uses quantitative models to assist in measuring risks and estimating or predicting certain financial values, among other uses. The Company uses models throughout many of its business lines, relying on them, along with its judgement, for many decision making processes. Examples of areas where the Company uses models include determining the pricing of various products, grading loans and extending credit, measuring interest rate and other market risks, predicting or estimating losses, assessing capital adequacy and evaluating liquidity risks. The Company also uses models to estimate the value of financial instruments and balance sheet items. Models generally evaluate the performance of various factors under anticipated future conditions, relying on historical data to help build the model and in part on assumptions as to the future, often with respect to macro-economic conditions, in order to generate the output. The models used may not accurately account for all variables and may fail to predict outcomes accurately and/or may overstate or understate certain effects. Poorly designed, implemented, or managed models or misused models, including in the choice of relevant historical data or future-looking assumptions, present the risk that the Company's business decisions that consider information based on such models will be adversely affected due to inadequate or inaccurate information, which may damage the Company's reputation and adversely affect its reported financial condition and results of operations. Even if the underlying assumptions used in the Company's models are adequate, the models may be deficient due to errors in computer code, use of bad data during development or input into the model during model use, or the use of a model for a purpose outside the scope of the model's design. As a result, the Company's models may not fully capture or express the risks the Company faces, may suggest that the Company has sufficient reserves, capital or liquidity

when it may not, or may lead the Company to misjudge the business and economic environment in which it operates. If the models fail to produce reliable results on an ongoing basis, the Company may not make appropriate risk management, capital planning, or other business or financial decisions. Furthermore, strategies that the Company employs to manage and govern the risks associated with its use of models may not be effective or fully reliable, and as a result, the Company may realize losses or other lapses. Finally, information the Company provides to the public or to its regulators based on poorly designed, implemented, or managed models or misused models could be inaccurate or misleading. Some of the decisions that the Company's regulators make, including those related to capital distributions to M&T's stockholders, could be affected adversely due to their perception that the quality of the models used to generate the relevant information is insufficient.

The Company is exposed to reputational risk.

A negative public opinion of the Company and its business can result from any number of activities, including the Company's lending practices, corporate governance and regulatory compliance, acquisitions and actions taken by regulators or by community organizations in response to these activities. Significant harm to the Company's reputation could also arise as a result of regulatory or governmental actions, litigation, employee misconduct or the activities of customers, developments and the actions of other participants in the financial services industry, including failures of other financial institutions or activities of the Company's contractual counterparties, such as service providers and vendors. A service disruption of the Company's technology platforms, or to those of the Company's service providers or vendors, or an impact to the Company's branches could have a negative impact on a customer's access to banking services and harm the Company's reputation with customers. In particular, a cybersecurity event impacting the Company's or its customers' data could have a negative impact on the Company's reputation and customer confidence in the Company and its cybersecurity. Damage to the Company's reputation could also adversely affect its credit ratings and access to the capital markets.

Additionally, whereas negative public opinion once was primarily driven by adverse news coverage in traditional media, the increased use of social media platforms facilitates the rapid dissemination of information or misinformation, which magnifies the potential harm to the Company's reputation.

The Company's framework for managing risks may not be effective.

The Company's risk management framework is made up of various processes and strategies to manage its risk exposure. The framework to manage risk, including the framework's underlying assumptions, may not be effective under all conditions and circumstances. If the risk management framework proves ineffective, the Company could suffer unexpected losses and could be materially adversely affected.

The Company has established processes and procedures intended to identify, measure, monitor, report, and analyze the types of risk to which it is subject, including liquidity risk, credit risk, market risk, interest rate risk, compliance risk, strategic risk, reputational risk, and operational risk related to its employees, systems and vendors, among others. There are inherent limitations to the Company's risk management strategies as there may exist, or develop in the future, risks that it has not appropriately anticipated or identified. In addition, the Company relies on both qualitative and quantitative factors, including models, to monitor, measure and analyze certain risks and to estimate certain financial values, which are subject to error. The Company must also develop and maintain a culture of risk management among its employees, as well as manage risks associated with third parties, and could fail to do so effectively. If the Company's risk management framework proves ineffective, the Company could incur litigation and negative regulatory consequences, and suffer unexpected losses that could affect its financial condition or results of operations.

Pandemics, acts of war or terrorism and other adverse external events could significantly impact the Company's business.

Pandemics, such as the COVID-19 pandemic; acts of war; military conflicts, such as Russia's invasion of Ukraine and the conflict in the Middle East as a result of recent attacks on Israel; or terrorism and other adverse external events, including severe weather and other natural disasters, could have a significant impact on the Company's ability to conduct business. Such events could affect the stability of the Company's deposit base, impair the ability of borrowers to repay outstanding loans, impair the value of collateral securing loans, cause significant property damage, result in loss of revenue and/or cause the Company to incur additional expenses. Although the Company has established disaster recovery plans and procedures, and monitors for significant environmental effects on its properties or its investments, the occurrence of any such event could have a material adverse effect on the Company.

For example, the COVID-19 pandemic created economic and financial disruptions that adversely affected, and may in the future adversely affect, the Company's business, financial condition, capital and results of operations.

Depending on the impact of pandemics, military conflicts, terrorism and other detrimental or destabilizing global and national events on general economic and market conditions, consumer and corporate spending and investment and borrowing patterns, there is a risk that adverse conditions could occur, including supply chain disruptions; higher inflation; decreased demand for the Company's products and services or those of its borrowers, which could increase credit risk; challenges related to maintaining sufficient qualified personnel due to labor shortages, talent attrition, employee illness and willingness to return to work; and disruptions to business operations at the Company and at counterparties, vendors and other service providers. Even after such events fully subside, the U.S. economy may experience a prolonged economic slowdown or recession, and M&T anticipates the Company's businesses would be materially and adversely affected by a prolonged economic slowdown or recession.

The escalation or continuation of the war between Russia and Ukraine or other hostilities, such as the conflict in the Middle East resulting from recent attacks on Israel, could result in, among other things, further increased risk of cybersecurity attacks, supply chain disruptions, higher inflation, lower consumer demand and increased volatility in commodity, currency and other financial markets.

To the extent that pandemics, acts of war or conflict, terrorism and other detrimental external events adversely affect the Company's business, financial condition, liquidity, capital or results of operations, such factors may also have the effect of heightening many of the other risks described in this "Risk Factors" section.

The Company's assets, communities, operations, reputation and customers could be adversely affected by the impacts of climate risk.

The Company operates in regions where its businesses and the activities of its customers could be negatively impacted by climate risk. This includes the physical risks resulting from chronic shifts in climate, such as rising average global temperatures, rising sea levels, and acute climate events, such as an increase in the frequency and severity of extreme weather events and natural disasters, including floods, wildfires, hurricanes and tornados. Such chronic shifts and acute events could damage or otherwise impact the value or productivity of customers' assets and disrupt the Company's operations and the operations of customers or third parties on which the Company relies. They could also result in market volatility, negatively impact the Company's customers' ability to repay outstanding loans, and damage or deteriorate the value of collateral. Over time such risks may result in both increasing premiums for and reduced availability of insurance and have a broader impact on the economy.

Further, climate risk may manifest from efforts to transition to a low-carbon economy. Transition risks may arise from changes in consumer and business preferences, legislation, regulation, policy, and

technological advancement associated with the changes necessary to limit climate change. Such risks may result in increased expenses or otherwise adversely impact the Company and its customers, including the ability of customers to repay outstanding loans. The Company could experience increased expenses resulting from climate-related strategic planning and market changes, as well as litigation and reputational harm as a result of negative public sentiment, regulatory scrutiny and reduced investor and stakeholder confidence due to the Company's actual or perceived action, or inaction, regarding climate change. For example, the Company's reputation may be damaged, its financial condition could suffer, and its ability to attract and retain employees may be harmed as a result of any perceived ineffective identification, monitoring or management of risks relating to providing financial services to certain industries or projects that are sensitive to a transition to a lower carbon economy, as well as any decisions the Company makes to continue to conduct or change its activities in response to considerations relating to climate change.

In addition, laws, regulations, and the expectations of federal and state banking regulators, investors and other stakeholders regarding appropriate climate risk management, practices and disclosures are continuously evolving and may require financial institutions including the Company, to adhere to new or heightened requirements and expectations regarding the disclosure and management of their climate risks and related lending, investment, operations and advisory activities. For example, the Federal Reserve, the FDIC, and the OCC jointly issued interagency guidance for large financial institutions on principles for climate-related financial risk management in October 2023, the NYSDFS issued proposed guidance for New York State-regulated banking and mortgage institutions relating to the management of material financial risks from climate change in December 2022, and the SEC proposed climate-related disclosure rules in March 2022. In addition, a number of states in which the Company operates have enacted or proposed statutes and regulations addressing climate change and sustainability issues. Any such new or heightened requirements may result in higher regulatory, compliance, and other expenses, and may subject the Company to different and potentially conflicting requirements in the various jurisdictions in which it operates.

Discussions of the specific risks outlined herein and other risks facing the Company are included within this Annual Report on Form 10-K in Part I, Item 1, "Business," and Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." Furthermore, in Part II, Item 7 under the heading "Forward-Looking Statements" is 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 in general, and M&T common stock, in particular.

In addition, the market price of M&T common stock may fluctuate significantly in response to a number of other factors, including changes in securities analysts' estimates of financial performance, volatility of stock market prices and volumes, rumors or erroneous information, changes in market valuations of similar companies and changes in accounting policies or procedures as may be required by the FASB or other regulatory agencies.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

The Company has established policies, processes, controls and systems designed to identify, assess, measure, manage, monitor and report risks related to cybersecurity and help prevent or limit the effect of possible cybersecurity threats and attacks. As cybersecurity threats continue to evolve, the Company expects to continue to expend significant resources to modify or enhance its measures to detect and prevent cybersecurity attacks or to investigate and remediate any information security vulnerabilities

that become known. The risks faced by the Company from cybersecurity threats that could materially affect the Company, including its business strategy, results of operations or financial condition, are discussed in Part I, Item 1A, "Risk Factors" as part of this Annual Report on Form 10-K.

Cybersecurity is integrated into the Company's Risk Framework through which the Company identifies, assesses, monitors, controls, communicates and escalates risks. The Risk Framework, which is reviewed and approved by the Risk Committee of the Board of Directors at least annually, represents the Company's overall risk management approach, including the policies, processes, controls and systems, through which the Company seeks to manage risk, including cybersecurity risk. It provides a common foundation for all employees and officers as well as directors to understand and communicate the types of risks that the Company faces in pursuit of its business objectives. The Risk Framework includes oversight by management through a multi-tiered committee structure responsible for overseeing proactive risk identification, developing an aggregated view of risks, and providing a consistent governance methodology across the Company. All such committees, including the Operational Risk Committee which has primary authority for oversight of cybersecurity, report up to the Management Risk Committee, which is chaired by the Chief Risk Officer, and serves as the executive level committee responsible for the implementation and oversight of the Risk Framework. The Risk Framework is designed to ensure the Board of Directors and its Risk Committee, which is the primary Board committee that oversees cybersecurity, are provided the information necessary to be effective in its risk management oversight responsibilities.

The Risk Committee of the Board of Directors receives regular reports on cybersecurity from the CISO. The CISO is responsible for the design and execution of the Security Program, which is supported by the governance structure defined within the Risk Framework. The CISO reports as necessary to executive management, the Risk Committee of the Board and the Board of Directors on cyber and information security issues and the effectiveness of the Company's cyber and information security program. The Risk Committee of the Board and the Board of Directors receive the results of the Company's annual cybersecurity risk assessment. Aligned with leading industry standards, including the U.S. Department of Commerce's National Institute of Standards and Technology Cybersecurity Framework, the Security Program is built upon a foundation of policies, standards and procedures, which leverage the National Institute of Standards and Technology standards, to help safeguard customer information and reduce the risk of cyber incidents and breaches. The Security Program features layered controls of network and endpoint intrusion detection and prevention, enterprise malware protection, threat-monitoring and a Security Operations Center that provides full time support and additional operational measures to monitor and respond to data breaches and cyberattacks.

In accordance with the Gramm-Leach-Bliley Act, the Company undertakes periodic assessments to identify and assess risks to customer information and evaluate the effectiveness of security controls. The Company engages third parties in connection with such cybersecurity preparedness efforts. Ongoing audits, including vulnerability and penetration testing of the Company's computing infrastructure, are performed by independent third parties and by our internal cybersecurity personnel.

The Company has also established processes to oversee and identify cybersecurity risks from third-party service providers. Third-party service providers (including suppliers and business partners) are required to have security policies, standards and procedures that meet or exceed the information security guidelines as specified in the Security Program. The Company has an established third-party due diligence program to ensure vendors meet the Company's expectations as agreed to in their contract. Roles, responsibilities and expectations for service providers and other third parties are communicated and documented through contracts (and other associated agreements) and monitored through oversight as part of the Company's Third-Party Risk Management Program.

The Company's Cybersecurity Leadership Team includes the CISO, Mr. Timothy Byrd. Mr. Byrd is responsible for overseeing and reporting on the development and implementation of the Company's

information security program. Mr. Byrd has over twenty years of experience in information security for large financial institutions. He also served as chairman for the Bank Policy Institute's Technology Policy Division Information Security Committee and as a board member of Financial Services Information Sharing and Analysis Center. Mr. Byrd currently serves on the Advisory Council for New York University's Graduate School of Engineering, as well as the Advisory Board for University of North Carolina - Charlotte College of Computing and Informatics. The CISO reports to the Company's Chief Information Officer, Mr. Michael A. Wisler, who has two decades of experience in the financial and technology industries. Prior to joining the Company in 2018, Mr. Wisler served as Chief Technology Officer of North American Credit Cards and Chief Information Officer of Europe at Capital One Financial Corporation. He holds a Masters of Science in Management of Information Technology from the University of Virginia. In addition, the Cybersecurity Leadership Team includes management with expertise in vulnerability management, digital forensics, threat intelligence, software development, cybersecurity operations, and project management. Many individuals on the Cybersecurity Leadership Team hold cybersecurity-relevant certifications.

The Company's Information Security Awareness Program, a component of the Security Program, is designed to ensure that all employees are aware of relevant cyber-related policies, principles, standards and practices, as well as new and current regulatory requirements related to safeguarding customer and corporate information assets. Cybersecurity awareness initiatives and resources are regularly provided to employees, including through mandatory annual cybersecurity awareness training, ongoing simulated phishing email exercises and communications from the Company's Cybersecurity Division on the Company's internal communication channels.

Item 2. Properties.

Both M&T and M&T Bank maintain their executive offices at One M&T Plaza in Buffalo, New York. This twenty-one story headquarters building, containing approximately 300,000 rentable square feet of space, is owned by M&T Bank. M&T, M&T Bank and their subsidiaries occupy 100% of the building. At December 31, 2023, the cost of this property (including improvements subsequent to the initial construction), net of accumulated depreciation, was \$36.5 million.

M&T Bank also owns and occupies a facility in Buffalo, New York (known as M&T Center) with approximately 395,000 rentable square feet of space. At December 31, 2023, the cost of this building (including improvements subsequent to acquisition), net of accumulated depreciation, was \$12.8 million.

M&T Bank also owns and occupies three separate facilities in the Buffalo area which support certain back-office and operations functions of the Company. The total square footage of these facilities approximates 290,000 square feet and their combined cost (including improvements subsequent to acquisition), net of accumulated depreciation, was \$22.5 million at December 31, 2023.

M&T Bank owns facilities in Wilmington, Delaware, with approximately 340,000 (known as Wilmington Center) and 295,000 (known as Wilmington Plaza) rentable square feet of space, respectively. M&T Bank occupies approximately 100% of Wilmington Center and approximately 23% of Wilmington Plaza. At December 31, 2023, the cost of these buildings (including improvements subsequent to acquisition), net of accumulated depreciation, was \$38.0 million and \$14.0 million, respectively.

M&T Bank also owns facilities in Millsboro, Delaware and Harrisburg, Pennsylvania with approximately 325,000 and 225,000 rentable square feet of space, respectively. M&T Bank occupies 100% and approximately 29% of those facilities, respectively. At December 31, 2023, the cost of those buildings (including improvements subsequent to acquisition), net of accumulated depreciation, was \$15.2 million and \$9.1 million, respectively.

In 2022, the Company obtained facilities in connection with the People's United acquisition, including a building in Bridgeport, Connecticut, (known as Bridgeport Center) with approximately

460,000 rentable square feet of space. The Company currently occupies approximately 92% of that facility. At December 31, 2023, the cost of that building (including improvements subsequent to acquisition), net of accumulated depreciation, was \$31.8 million.

M&T owns many other properties none which have more than 100,000 square feet of space. The Company also leases office space and other facilities to support its business operations. The cost and accumulated depreciation and amortization of the Company's premises and equipment and information regarding the Company's lease arrangements is detailed in note 6 of Notes to Financial Statements filed herewith in Part II, Item 8, "Financial Statements and Supplementary Data."

Of the 961 domestic banking office locations of M&T's subsidiary banks at December 31, 2023, 360 are owned and 601 are leased.

Item 3. Legal Proceedings.

M&T and its subsidiaries are subject in the normal course of business to various pending and threatened legal proceedings and other matters in which claims for monetary damages are asserted. On an on-going basis management, after consultation with legal counsel, assesses the Company's liabilities and contingencies in connection with such proceedings. For those matters where it is probable that the Company will incur losses and the amounts of the losses can be reasonably estimated, the Company records an expense and corresponding liability in its consolidated financial statements. To the extent the pending or threatened litigation could result in exposure in excess of that liability, the amount of such excess is not currently estimable. Although not considered probable, the range of reasonably possible losses for such matters in the aggregate, beyond the existing recorded liability, was between \$0 and \$25 million as of December 31, 2023. Although the Company does not believe that the outcome of pending legal matters will be material to the Company's consolidated financial position, it cannot rule out the possibility that such outcomes will be material to the consolidated results of operations for a particular reporting period in the future.

Item 4. Mine Safety Disclosures.

Not applicable.

Executive Officers of the Registrant

Information concerning M&T's executive officers is presented below. The year the officer was first appointed to the indicated position with M&T or its subsidiaries is shown parenthetically. In the case of each entity noted below, officers' terms run until the first meeting of the board of directors after such entity's annual meeting, which in the case of M&T takes place immediately following the Annual Meeting of Shareholders, and until their successors are elected and qualified.

René F. Jones, age 59, is Chief Executive Officer, Chairman of the Board and a Director of M&T and M&T Bank (2017). Previously, he was a Senior Executive Vice President of M&T and a Vice Chairman of M&T Bank with responsibility for the Company's Wealth and Institutional Services Division, Treasury Division, and Mortgage and Consumer Lending Divisions. Mr. Jones had also served as Chairman of the Board and a Director of WT Investment Advisors, Chief Financial Officer of M&T, M&T Bank and Wilmington Trust, N.A. and held a number of management positions within M&T Bank's Finance Division since 1992.

Kevin J. Pearson, age 62, is Vice Chairman (2020) of M&T and is Vice Chairman (2014) and a Director (2018) of M&T Bank. Mr. Pearson has oversight of the Commercial Banking and the Institutional Services and Wealth Management Divisions. Previously, Mr. Pearson served as a Director of M&T, Chairman of the Board of Wilmington Trust Company and Chairman of the Board of Wilmington Trust, N.A. He also previously served as a Senior Executive Vice President of M&T and M&T Bank and has held a number of management positions since he began his career with M&T Bank

in 1989. Mr. Pearson is a Director (2018) of Wilmington Trust Company, WT Investment Advisors, Wilmington Funds Management, and WTIM. He is a Director (2014) of Wilmington Trust, N.A., a Director (2022) of PUA and a Director (2023) of WTAM.

Daryl N. Bible, age 62, is a Senior Executive Vice President and Chief Financial Officer (2023) of M&T and M&T Bank. Mr. Bible leads the Finance Division, which includes the Company's Treasury Division, and has responsibility for the overall financial management of the Company including oversight of SEC and regulatory reporting, acquisitions and divestitures, shareholder capital, and interest rate and liquidity risk management. He is a Senior Executive Vice President and Chief Financial Officer (2023) of Wilmington Trust, N.A. and a Senior Executive Vice President (2023) of Wilmington Trust Company. Prior to his current role, Mr. Bible was the Chief Financial Officer of Truist Financial Corporation. Mr. Bible joined Truist Financial Corporation's predecessor, Branch Banking and Trust Company, in 2008 after a twenty-four year career with U.S. Bancorp, during which he served ten years as Treasurer.

Robert J. Bojdak, age 68, is a Senior Executive Vice President and Chief Credit Officer (2004) of M&T and M&T Bank where he is responsible for managing the overall risk involving M&T Bank's loan portfolio, monitoring portfolio metrics and workout activities. He is a Senior Executive Vice President (2004) of Wilmington Trust, N.A. and a Senior Executive Vice President (2020) of Wilmington Trust Company. Mr. Bojdak joined M&T Bank in 2002 and previously served as Senior Vice President and Credit Deputy for M&T Bank and as a Director of Wilmington Trust, N.A.

Peter G. D'Arcy, age 50, is a Senior Executive Vice President (2022) of M&T and M&T Bank and is the head of Commercial Banking. In his current role, Mr. D'Arcy is responsible for directing strategic growth and business line development activities across M&T's footprint for commercial clients. He is a Director and Chairman (2022) of M&T Realty Capital. Previously, Mr. D'Arcy served as an Area Executive, was Co-Chair of M&T Bank's Senior Loan Committee, and supervised M&T Bank's Commercial Real Estate, Capital Markets and Corporate and Institutional Banking Divisions. He began his career with M&T Bank in 1995.

Christopher E. Kay, age 58, is a Senior Executive Vice President (2018) of M&T and M&T Bank, and is responsible for Enterprise Platforms, which includes the Customer Experience, Digital, Strategy and Transformation, and Marketing Divisions. Prior to joining M&T in 2018, Mr. Kay served as Chief Innovation Officer at Humana from 2014 to 2018 and as Managing Director of Citi Ventures from 2007 to 2013.

Darren J. King, age 54, is a Senior Executive Vice President (2010) of M&T and a Senior Executive Vice President (2009) of M&T Bank. Mr. King has responsibility for a portfolio of businesses comprising the Retail Banking Division, including Retail, Business Banking, Residential Mortgage, Indirect and Consumer Lending activities. He is also the head of Dealer Lending. Prior to his current role, Mr. King served as Chief Financial Officer of M&T and M&T Bank with the responsibility for the Company's overall financial management and treasury functions. Mr. King has held a number of management positions within M&T Bank since 2000.

Doris P. Meister, age 69, is a Senior Executive Vice President (2016) of M&T and M&T Bank and is responsible for overseeing the Company's Wealth Management business, including Wilmington Trust Wealth Management, M&T Securities and WT Investment Advisors. Ms. Meister is the Chair of the Board, President and Chief Executive Officer (2022) and a Director (2016) of Wilmington Trust, N.A. and Wilmington Trust Company, and the Chair of the Board, Chief Executive Officer and a Director (2017) of WT Investment Advisors. She is a Director (2017), Chair of the Board and Chief Executive Officer (2018) of Wilmington Funds Management and WTIM. Ms. Meister is a Director, Chair of the Board and Chief Executive Officer (2022) of PUA, and a Director, Chair of the Board and Chief Executive Officer (2023) of WTAM. Ms. Meister joined Wilmington Trust N.A. in 2016 and has over four decades of financial and executive management experience.

Laura P. O'Hara, age 64, is a Senior Executive Vice President (2020) and Chief Legal Officer (2017) of M&T and M&T Bank. In this role, she oversees all of the Company's legal affairs, as well as the Office of the Corporate Secretary. Ms. O'Hara is a Senior Executive Vice President (2020) and Chief Legal Officer (2018) of Wilmington Trust, N.A., a Senior Executive Vice President (2020) of Wilmington Trust Company, and a Senior Executive Vice President and Chief Legal Officer (2023) of WTIM. She has almost forty years of litigation, regulatory compliance and risk management experience, including time spent at Santander Bank, where she served as Executive Vice President and General Counsel from 2015 until she joined M&T in 2017.

Michael J. Todaro, age 62, is a Senior Executive Vice President (2015) and Chief Risk Officer (2021) of M&T and M&T Bank where he is responsible for overseeing the Company's governance and strategy for risk management as well as relationships with the Company's regulators and supervisory agencies. He is a Senior Executive Vice President (2015) and Chief Risk Officer (2021) of Wilmington Trust, N.A., and is a Senior Executive Vice President (2021) of Wilmington Trust Company. Mr. Todaro began his career with M&T in 1995, and previously served as Senior Vice President of M&T Bank and held a number of management positions within M&T Bank's Mortgage, Consumer Lending and Customer Asset Management Divisions. Most recently he was responsible for Enterprise Transformation activities.

Julianne Urban, age 51, is a Senior Executive Vice President (2020) and Chief Auditor (2017) of M&T and M&T Bank. She is responsible for the Audit Division's strategic development and execution of assurance services. During her tenure, she has served as Audit Manager and Audit Director responsible for examining various business lines including Commercial Banking, Retail Banking, Institutional Services and Wealth Management, Credit, Finance and Treasury, Operations, Regulatory, and Risk Management. Ms. Urban is a Senior Executive Vice President (2020) and Chief Auditor (2018) of Wilmington Trust, N.A. and a Senior Executive Vice President (2020) of Wilmington Trust Company.

Jennifer Warren, age 59, is a Senior Executive Vice President (2022) of M&T and M&T Bank. Ms. Warren is responsible for managing administrative and business development functions of the Institutional Services Division. She is a Senior Executive Vice President and Director (2022) of Wilmington Trust, N.A. and Wilmington Trust Company. Ms. Warren is a Director (2022) of Wilmington Funds Management, WT Investment Advisors, WTIM and PUA, and a Director (2023) of WTAM. Prior to joining the Company, Ms. Warren was Chief Executive Officer of Issuer Services, North America for Computershare from 2018 to 2021. Ms. Warren previously served as head of the U.S. region and President and Chief Executive Officer of CIBC World Markets Corp., where she worked for nearly twelve years.

Tracy S. Woodrow, age 50, is a Senior Executive Vice President (2020) and Chief Administrative Officer (2023) of M&T and M&T Bank. Ms. Woodrow is responsible for managing the Company's Human Resources, Banking Services and Corporate Services Divisions, and leading M&T's sustainability efforts. She is a Senior Executive Vice President (2015) of Wilmington Trust, N.A. and Wilmington Trust Company. Ms. Woodrow previously served as Chief Human Resources Officer (2020) for M&T and M&T Bank and as the BSA/AML/OFAC Officer (2013) for M&T, M&T Bank and Wilmington Trust, N.A.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

M&T's common stock is traded under the symbol MTB on the NYSE. Shareholders of M&T approximated 31,325 at December 31, 2023. See cross-reference sheet for disclosures incorporated elsewhere in this Annual Report on Form 10-K for frequency and amounts of dividends on common stock and restrictions on the payment of dividends.

During the fourth quarter of 2023, M&T did not issue any shares of its common stock that were not registered under the Securities Act.

Equity Compensation Plan Information

The following table provides information as of December 31, 2023 with respect to shares of common stock that may be issued under M&T's existing equity compensation plans. M&T's existing equity compensation plans include the M&T Bank Corporation 2019 Equity Incentive Compensation Plan, which has been previously approved by shareholders and the M&T Bank Corporation Deferred Bonus Plan, which did not require shareholder approval.

The table does not include information with respect to shares of common stock subject to outstanding options and rights assumed by M&T in connection with mergers and acquisitions of the companies that originally granted those options and rights. Footnote (1) to the table sets forth the total number of shares of common stock issuable upon the exercise of such assumed options and rights as of December 31, 2023, and their weighted-average exercise price.

<u>Plan Category</u>	<u>Number of Securities to be Issued Upon Exercise of Outstanding Options or Rights (A)</u>	<u>Weighted-Average Exercise Price of Outstanding Options or Rights (B)</u>	<u>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column A) (C)</u>
Equity compensation plans approved by security holders	902,570	\$ 162.50	4,218,093
Equity compensation plans not approved by security holders	10,238	82.31	—
Total	912,808	\$ 161.60	4,218,093

(1) As of December 31, 2023, a total of 1,298,073 shares of M&T common stock were issuable upon exercise of outstanding options or rights assumed by M&T in connection with merger and acquisition transactions. The weighted-average exercise price of those outstanding options or rights is \$145.14 per common share.

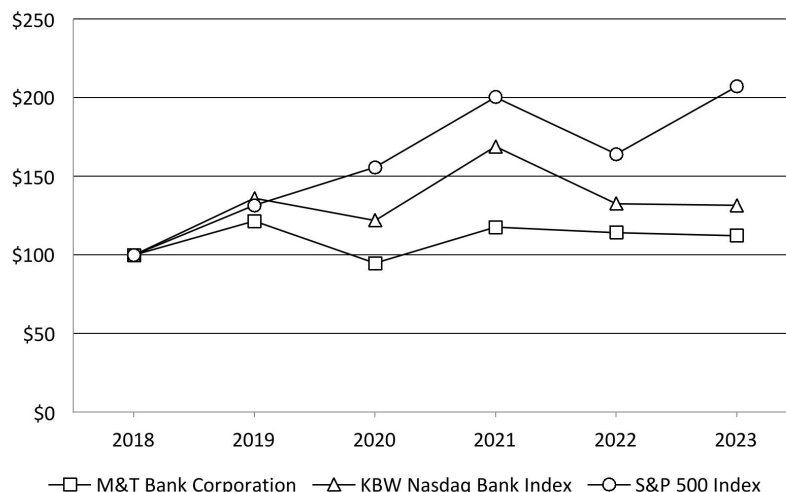
Deferred Bonus Plan

M&T maintains a deferred bonus plan which was frozen effective January 1, 2010 and did not allow any additional deferrals after that date. Prior to January 1, 2010, the plan allowed eligible officers of M&T and its subsidiaries to elect to defer all or a portion of their annual incentive compensation awards and allocate such awards to several investment options, including M&T common stock. At the time of the deferral election, participants also elected the timing of distributions from the plan. Such distributions are payable in cash, with the exception of balances allocated to M&T common stock which are distributable in the form of shares of common stock.

Performance Graph

The following graph contains a comparison of the cumulative shareholder return on M&T common stock against the cumulative total returns of the KBW Nasdaq Bank Index, compiled by Keefe, Bruyette & Woods, Inc., and the S&P 500 Index, compiled by S&P Dow Jones Indices, LLC, for the five-year period beginning on December 31, 2018 and ending on December 31, 2023. The KBW Nasdaq Bank Index is a modified market capitalization weighted index consisting of 24 banking stocks representing leading large U.S. national money centers, regional banks and thrift institutions.

Comparison of Five-Year Cumulative Return*



Shareholder Value at Year End*

	2018	2019	2020	2021	2022	2023
M&T Bank Corporation	100	122	95	118	114	112
KBW Nasdaq Bank Index	100	136	122	169	133	132
S&P 500 Index	100	132	156	200	164	207

* Assumes a \$100 investment on December 31, 2018 and reinvestment of all dividends.

In accordance with and to the extent permitted by applicable law or regulation, the information set forth above under the heading "Performance Graph" shall not be incorporated by reference into any future filing under the Securities Act, or the Exchange Act and shall not be deemed to be "soliciting material" or to be "filed" with the SEC under the Securities Act or the Exchange Act.

Issuer Purchases of Equity Securities

During the fourth quarter of 2023, M&T purchased shares of its common stock as follows:

Issuer Purchases of Equity Securities				
Period	Total Number of Shares (or Units) Purchased (1)	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that may yet be Purchased Under the Plans or Programs (2)
October 1 - October 31, 2023	—	\$ —	—	\$ 1,200,060,000
November 1 - November 30, 2023	76	116.41	—	1,200,060,000
December 1 - December 31, 2023	171	137.87	—	1,200,060,000
Total	247	\$ 131.27	—	

(1) The total number of shares purchased during the periods indicated includes shares purchased as part of publicly announced programs and shares deemed to have been received from employees who exercised stock options by attesting to previously acquired common shares in satisfaction of the exercise price or shares received from employees upon the vesting of restricted stock awards in satisfaction of applicable tax withholding obligations, as is permitted under M&T's stock-based compensation plans.

(2) In July 2022, M&T's Board of Directors authorized a program under which \$3.0 billion of common shares may be repurchased with the exact number, timing, price and terms of such repurchases to be determined at the discretion of management and subject to all regulatory limitations.

Item 6. Selected Financial Data [Reserved].

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Corporate Profile and Significant Developments

M&T is a BHC headquartered in Buffalo, New York with consolidated assets of \$208.3 billion at December 31, 2023. M&T's wholly owned bank subsidiaries are M&T Bank and Wilmington Trust, N.A. Among other subsidiaries of M&T is M&T Securities which provides institutional brokerage and securities services and had total assets of \$56 million at December 31, 2023.

M&T Bank, with total assets of \$207.8 billion at December 31, 2023, is a New York-chartered commercial bank with 961 domestic banking offices in New York State, Maryland, New Jersey, Pennsylvania, Delaware, Connecticut, Massachusetts, Maine, Vermont, New Hampshire, Virginia, West Virginia, and the District of Columbia, and a full-service commercial banking office in Ontario, Canada. M&T Bank and its subsidiaries offer a broad range of financial services to a diverse base of consumers, businesses, professional clients, governmental entities and financial institutions located in their markets. M&T Bank lends to consumers residing in the states noted above and to small and medium-size businesses based in those areas, although loans are also originated through offices in other states and in Ontario, Canada. Certain lending activities are also conducted in other states through various subsidiaries. Trust and other fiduciary services are offered by M&T Bank and through its wholly owned subsidiary, Wilmington Trust Company. Other subsidiaries of M&T Bank include M&T Realty Capital, a multifamily commercial mortgage lender; WT Investment Advisors, which serves as an investment advisor to the Wilmington Funds, a family of proprietary mutual funds, and other funds and institutional clients; and entities obtained in the People's United acquisition including LEAF Commercial Capital, Inc., M&T Capital and Leasing Corp. (formerly known as People's Capital and Leasing Corp.) and M&T Equipment Finance Corp. (formerly known as People's United Equipment Finance Corp.) that provide equipment leasing and financing services.

Wilmington Trust, N.A. is a national bank with total assets of \$683 million at December 31, 2023. Wilmington Trust, N.A. and its subsidiaries offer various trust and wealth management services.

On April 1, 2022, M&T completed the acquisition of People's United. Through subsidiaries, People's United provided commercial banking, retail banking and wealth management services to individual, corporate and municipal customers through a network of branches located in Connecticut, southeastern New York, Massachusetts, Vermont, New Hampshire and Maine. Following the merger, People's United Bank, National Association, a national banking association and a wholly owned subsidiary of People's United, merged with and into M&T Bank with M&T Bank as the surviving entity. The results of operations acquired from People's United have been included in the Company's financial results since April 1, 2022.

In connection with the acquisition of People's United, M&T issued 50,325,004 common shares on April 1, 2022. Pursuant to the terms of the merger agreement, People's United shareholders received consideration valued at .118 of an M&T common share in exchange for each common share of People's United. The purchase price totaled approximately \$8.4 billion (with the price based on M&T's closing price of \$164.66 per share as of April 1, 2022). Additionally, People's United outstanding preferred stock was converted into new shares of Series H Preferred Stock of M&T.

The People's United transaction was accounted for using the acquisition method of accounting and, accordingly, assets acquired, liabilities assumed, and consideration exchanged were recorded at estimated fair value on the acquisition date. M&T recorded assets acquired of \$64.2 billion, including \$35.8 billion of loans and leases and \$11.6 billion of investment securities, and liabilities assumed totaling \$55.5 billion, including \$53.0 billion of deposits. The transaction added \$8.4 billion to M&T's common shareholders' equity and \$261 million to preferred equity. In connection with the acquisition the Company recorded \$3.9 billion of goodwill and \$261 million of core deposit and other intangible assets. The acquisition of People's United formed a banking franchise with over \$200 billion in assets serving communities in the Northeast and Mid-Atlantic from Maine to Virginia, including Washington D.C.

Net acquisition and integration-related expenses (included herein as merger-related expenses) associated with the People's United acquisition totaled \$432 million after-tax effect, or \$2.63 of diluted earnings per common share in 2022 and \$34 million after-tax effect, or \$0.25 of diluted earnings per common share in 2021. Merger-related expenses incurred in 2022 and associated with the People's United acquisition generally consisted of professional services, temporary help fees and other costs associated with actual or planned conversions of systems and/or integration of operations and the introduction of M&T to its new customers, costs related to terminations of existing contractual arrangements to purchase various services, severance, travel costs, and, in the second quarter of 2022, an initial provision for credit losses on loans not deemed to be PCD on the April 1, 2022 acquisition date of People's United. M&T completed the transfer of most financial records of People's United to M&T's core operating systems in the third quarter of 2022. The Company did not incur any merger-related expenses during 2023.

On April 29, 2023 Wilmington Trust, N.A. sold its CIT business to a private equity firm, resulting in a pre-tax gain of \$225 million. On October 31, 2022 M&T Bank sold MTIA, a wholly owned insurance agency subsidiary of M&T Bank to Arthur J. Gallagher & Co. resulting in a pre-tax gain of \$136 million.

Financial Reporting Matters

Included within this Management's Discussion and Analysis of Financial Condition and Results of Operations are certain financial reporting changes described in note 1 of Notes to Financial Statements that were effective in the fourth quarter of 2023 including:

- Reclassification of the substantial majority of loans secured by commercial real estate that were considered owner-occupied from commercial real estate loans to commercial and industrial loans;
- Presentation of "professional and other services" as an individual component of "other expense" while combining the presentation of "printing, postage and supplies" into "other costs of operations" within the Consolidated Statement of Income; and
- Revisions to the Company's reportable segments to now comprise of Commercial Bank, Retail Bank and Institutional Services and Wealth Management.

Prior periods have been presented in conformity with the new classifications.

Overview

The results of the Company's operations for the year ended December 31, 2023 continued to be impacted by multiple hikes by the FOMC of its federal funds target rate that totaled 5.25% from March of 2022 through July of 2023 in response to inflationary pressures. The higher interest rate environment has resulted in increased yields on the Company's earning assets, higher costs of interest-bearing liabilities and a shift in the mix of those liabilities, including from noninterest-bearing deposits to higher cost deposit products. The provision for credit losses reflects declines in commercial real estate values and higher interest rates contributing to a deterioration in the performance of loans to commercial borrowers as well as a \$2.5 billion increase in loans and leases since December 31, 2022. In the second quarter of 2023, M&T completed the divestiture of its CIT business to a private equity firm. The sale of that business resulted in a pre-tax gain of \$225 million (\$157 million after-tax effect, or \$0.94 of diluted earnings per common share) in the 2023 results of operations. In the fourth quarter of 2023, the FDIC issued a final rule on special assessment pursuant to systemic risk determination resulting from the closures of certain failed banks earlier in the year. As a result, the Company recorded an expense of \$197 million (\$146 million after-tax effect, or \$0.88 of diluted earnings per common share) for the special assessment in the 2023 results of operations. A comparative summary of financial results for the Company is provided in Table 1.

Table 1

SUMMARY OF FINANCIAL RESULTS

(Dollars in millions, except per share)	2023	2022	2021	Change from			
				2022 to 2023		2021 to 2022	
				Amount	%	Amount	%
Net interest income	\$ 7,115	\$ 5,822	\$ 3,825	\$ 1,293	22 %	\$ 1,997	52 %
Taxable-equivalent adjustment (a)	54	39	15	15	40	25	166
Net interest income (taxable-equivalent basis) (a)	7,169	5,861	3,840	1,308	22	2,022	53
Provision for credit losses	645	517	(75)	128	25	592	—
Other income	2,528	2,357	2,167	172	7	190	9
Other expense	5,379	5,050	3,612	329	7	1,439	40
Net income	2,741	1,992	1,859	749	38	133	7
Per common share data:							
Basic earnings	15.85	11.59	13.81	4.26	37	(2.22)	-16
Diluted earnings	15.79	11.53	13.80	4.26	37	(2.27)	-16
Performance ratios							
Return on:							
Average assets	1.33 %	1.05 %	1.22 %				
Average common shareholders' equity	11.06	8.67	11.54				
Net interest margin	3.83	3.39	2.76				

(a) Net interest income data are presented on a taxable-equivalent basis which is a non-GAAP measure. The taxable-equivalent adjustment represents additional income taxes that would be due if all interest income were subject to income taxes. This adjustment, which is related to interest received on qualified municipal securities, industrial revenue financings and preferred equity securities, is based on a composite income tax rate of approximately 26%.

The increase in net income in 2023 as compared with 2022 included one additional quarter of operations acquired from People's United.

- Taxable-equivalent net interest income was \$7.17 billion in 2023, an increase of \$1.31 billion, or 22% from \$5.86 billion in 2022. That increase reflects a 44 basis point (hundredth of one percent) widening of the net interest margin to 3.83% in 2023 from 3.39% in 2022.
- The provision for credit losses was \$645 million in 2023, compared with \$517 million in 2022. Included in the second quarter of 2022 was the \$242 million provision related to loans obtained in the People's United acquisition that were considered non-PCD. The comparatively higher provision for credit losses in the most recent year as compared with 2022 reflects declines in commercial real estate values and higher interest rates contributing to a deterioration in the performance of loans to commercial borrowers as well as commercial and industrial loan growth.
- Noninterest income rose \$172 million, or 7%, to \$2.53 billion in 2023 as compared with \$2.36 billion in 2022, reflecting the sale of the CIT business in the second quarter of 2023, the sale of MTIA in the fourth quarter of 2022 and one additional quarter of revenues in 2023 from operations acquired from People's United. Other favorable factors contributing to the rise in noninterest income included higher mortgage banking revenues and trading account and other non-hedging derivatives gains.
- Exclusive of \$338 million of merger-related expenses incurred in 2022 associated with the People's United acquisition, noninterest expense increased \$667 million reflecting one additional quarter of operations acquired from People's United, higher salaries and employee benefits expenses from merit and other salary increases, a rise in incentive compensation and increases in employee benefit costs, including severance, and higher FDIC assessments inclusive of the special assessment in 2023's final quarter.

The increase in net income in 2022 as compared with 2021 included the impact of the acquisition of People's United on April 1, 2022.

- Taxable-equivalent net interest income was \$3.84 billion in 2021. The \$2.02 billion increase in such income from 2021 to 2022 resulted from a 63 basis point widening of the net interest margin from 2.76% in 2021 and an increase in average earning assets and interest-bearing liabilities in 2022, primarily from the People's United acquisition.
- The higher provision for credit losses in 2022 as compared with 2021 reflects the \$242 million People's United-related provision for non-PCD loans obtained in the acquisition and a forecasted weakening of macroeconomic conditions as of December 31, 2022, as compared with forecasts in 2021 during which a recapture of previously recorded provisions of \$75 million was recorded.
- The increase in other income in 2022 as compared with 2021 reflected increases related to the acquired operations associated with the People's United acquisition (predominantly reflected in trust income, service charges on deposit accounts and other revenues from operations, including credit-related fees), higher trust income from legacy operations and the \$136 million gain on sale of MTIA. Those increases were partially offset by lower mortgage banking revenues reflecting the Company's decision late in the third quarter of 2021 to retain the substantial majority of recently originated mortgage loans in portfolio rather than sell such loans, and a planned reduction of insufficient funds fees reflected in service charges on deposit accounts.
- As compared with 2021, the predominant factor for increased noninterest expenses in 2022 was acquired operations from People's United and associated merger-related expenses. Merger-related noninterest expenses totaled \$338 million and \$44 million in 2022 and 2021, respectively. In addition to the People's United acquisition, factors contributing to the higher level of noninterest expenses included higher costs for salaries and employee benefits, outside data processing and software, equipment and net occupancy, professional and other services expenses and (in the fourth quarter of 2022) a \$135 million contribution to The M&T Charitable Foundation. Those higher expenses were partially offset by lower defined benefit pension-related expenses included in other costs of operations.

The Company's effective tax rate was 24.3% in each of 2023 and 2021, as compared with 23.7% in 2022.

Under approved capital plans and programs authorized by M&T's Board of Directors, M&T repurchased a total of 3,838,157 shares of its common stock in 2023 at an average cost per share of \$154.76 resulting in a total cost, including the share repurchase excise tax, of \$600 million. In 2022, M&T repurchased a total of 10,453,282 shares of its common stock at an average cost per share of \$172.19 resulting in a total cost of \$1.8 billion. No common shares were repurchased in 2021.

Supplemental Reporting of Non-GAAP Results of Operations

As a result of business combinations and other acquisitions, the Company had intangible assets consisting of goodwill and core deposit and other intangible assets totaling \$8.6 billion at December 31, 2023, \$8.7 billion at December 31, 2022 and \$4.6 billion at December 31, 2021, consisting predominantly of goodwill. Amortization of core deposit and other intangible assets, after-tax effect, totaled \$48 million, \$43 million and \$8 million during 2023, 2022 and 2021, respectively.

M&T consistently provides supplemental reporting of its results on a "net operating" or "tangible" basis, from which M&T excludes the after-tax effect of amortization of core deposit and other intangible assets (and the related goodwill, core deposit intangible and other intangible asset balances, net of applicable deferred tax amounts) and expenses (when incurred) associated with merging acquired or to be acquired operations with and into the Company, since such items are considered by management to be "nonoperating" in nature. In 2022 and 2021, those merger-related expenses totaled \$580 million (\$432 million after-tax effect) in 2022 and \$44 million (\$34 million after-tax effect) in 2021. There were no merger-related expenses in 2023. 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.

Table 2

SUPPLEMENTAL REPORTING OF NON-GAAP RESULTS OF OPERATIONS

(Dollars in millions, except per share data)	Year ended December 31,			Percent Change from	
	2023	2022	2021	2022 to 2023	2021 to 2022
Net operating income	\$ 2,789	\$ 2,466	\$ 1,900	13 %	30 %
Diluted net operating earnings per share	16.08	14.42	14.11	12	2
Return on:					
Average tangible assets	1.42 %	1.35 %	1.28 %		
Average tangible common equity	17.60	16.70	16.80		
Efficiency ratio	54.9	56.6	59.0		
Tangible equity per common share (a)	\$ 98.54	\$ 86.59	\$ 89.80	14 %	-4 %

(a) At the period end.

The efficiency ratio measures the relationship of noninterest operating expenses, which exclude expenses M&T considers to be "nonoperating" in nature consisting of amortization of core deposit and other intangible assets and merger-related expenses, to revenues. The calculations of the Company's 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), and reconciliations of GAAP amounts with corresponding non-GAAP amounts are presented in Table 3.

Table 3

RECONCILIATION OF GAAP TO NON-GAAP MEASURES

(Dollars in millions, except per share)	2023	2022	2021
Income statement data			
Net income			
Net income	\$ 2,741	\$ 1,992	\$ 1,859
Amortization of core deposit and other intangible assets (a)	48	43	7
Merger-related expenses (a)	—	431	34
Net operating income	<u>\$ 2,789</u>	<u>\$ 2,466</u>	<u>\$ 1,900</u>
Earnings per common share			
Diluted earnings per common share	\$ 15.79	\$ 11.53	\$ 13.80
Amortization of core deposit and other intangible assets (a)	.29	.26	.06
Merger-related expenses (a)	—	2.63	.25
Diluted net operating earnings per common share	<u>\$ 16.08</u>	<u>\$ 14.42</u>	<u>\$ 14.11</u>
Other expense			
Other expense	\$ 5,379	\$ 5,050	\$ 3,612
Amortization of core deposit and other intangible assets	(62)	(56)	(10)
Merger-related expenses	—	(338)	(44)
Noninterest operating expense	<u>\$ 5,317</u>	<u>\$ 4,656</u>	<u>\$ 3,558</u>
Merger-related expenses			
Salaries and employee benefits	\$ —	\$ 102	\$ —
Equipment and net occupancy	—	7	—
Outside data processing and software	—	5	1
Professional and other services	—	72	37
Advertising and marketing	—	9	1
Other costs of operations	—	143	5
Other expense	—	338	44
Provision for credit losses	—	242	—
Total	<u>\$ —</u>	<u>\$ 580</u>	<u>\$ 44</u>
Efficiency ratio			
Noninterest operating expense (numerator)	<u>\$ 5,317</u>	<u>\$ 4,656</u>	<u>\$ 3,558</u>
Taxable-equivalent net interest income	<u>\$ 7,169</u>	<u>\$ 5,861</u>	<u>\$ 3,840</u>
Other income	2,528	2,357	2,167
Less: Gain (loss) on bank investment securities	4	(6)	(21)
Denominator	<u>\$ 9,693</u>	<u>\$ 8,224</u>	<u>\$ 6,028</u>
Efficiency ratio	<u>54.9%</u>	<u>56.6%</u>	<u>59.0%</u>
Balance sheet data			
Average assets			
Average assets	\$ 205,397	\$ 190,252	\$ 152,669
Goodwill	(8,473)	(7,537)	(4,593)
Core deposit and other intangible assets	(177)	(179)	(8)
Deferred taxes	44	43	2
Average tangible assets	<u>\$ 196,791</u>	<u>\$ 182,579</u>	<u>\$ 148,070</u>
Average common equity			
Average total equity	\$ 25,899	\$ 23,810	\$ 16,909
Preferred stock	(2,011)	(1,946)	(1,438)
Average common equity	23,888	21,864	15,471
Goodwill	(8,473)	(7,537)	(4,593)
Core deposit and other intangible assets	(177)	(179)	(8)
Deferred taxes	44	43	2
Average tangible common equity	<u>\$ 15,282</u>	<u>\$ 14,191</u>	<u>\$ 10,872</u>
At end of year			
Total assets			
Total assets	\$ 208,264	\$ 200,730	\$ 155,107
Goodwill	(8,465)	(8,490)	(4,593)
Core deposit and other intangible assets	(147)	(209)	(4)
Deferred taxes	37	51	1
Total tangible assets	<u>\$ 199,689</u>	<u>\$ 192,082</u>	<u>\$ 150,511</u>
Total common equity			
Total equity	\$ 26,957	\$ 25,318	\$ 17,903
Preferred stock	(2,011)	(2,011)	(1,750)
Common equity	24,946	23,307	16,153
Goodwill	(8,465)	(8,490)	(4,593)
Core deposit and other intangible assets	(147)	(209)	(4)
Deferred taxes	37	51	1
Total tangible common equity	<u>\$ 16,371</u>	<u>\$ 14,659</u>	<u>\$ 11,557</u>

(a) After any related tax effect.

Net Interest Income/Lending, Investing and Funding Activities

Interest income earned on certain of the Company's assets is exempt from federal income tax. Taxable-equivalent net interest income is a non-GAAP measure that adjusts income earned on a tax-exempt asset to present it on an equivalent basis to interest income earned on a fully taxable asset.

Taxable-equivalent net interest income was \$7.17 billion in 2023, a 22% increase from 2022. That increase reflects one additional quarter of earning assets acquired and interest-bearing liabilities assumed from the acquisition of People's United in 2023 as compared with 2022 and a 44 basis point widening of the net interest margin to 3.83% in 2023 from 3.39% in 2022. The increased net interest margin in 2023 is generally reflective of a higher interest rate environment resulting from actions taken by the Federal Reserve to temper inflationary pressures on the U.S. economy. The FOMC raised its target federal funds rate through multiple hikes that totaled 5.25% from March 2022 through July 2023, which led to higher yields on loans, deposits at the FRB of New York and investment securities, partially offset by higher rates paid on interest-bearing liabilities, including deposits and borrowings. Average earning assets increased \$14.2 billion to \$187.0 billion in 2023 from \$172.8 billion in 2022 and average interest-bearing liabilities increased \$25.7 billion to \$119.7 billion in 2023 from \$94.0 billion in 2022.

Net interest income expressed on a taxable-equivalent basis aggregated \$5.86 billion in 2022 compared with \$3.84 billion in 2021. The increase in 2022 reflected the impact of \$33.7 billion in additional average earning assets predominantly resulting from the People's United transaction and a 63 basis point widening of the net interest margin to 3.39% in 2022 from 2.76% in 2021. The higher net interest margin was generally reflective of a rising interest rate environment described herein. Average earning assets were \$172.8 billion in 2022 and \$139.1 billion in 2021.

Table 4

AVERAGE BALANCE SHEETS AND TAXABLE-EQUIVALENT RATES

(Dollars in millions)	2023			2022			2021		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
Assets									
Earning assets:									
Loans and leases, net of unearned discount (a):									
Commercial and industrial	\$ 54,271	\$ 3,640	6.71 %	\$ 44,127	\$ 2,037	4.62 %	\$ 32,100	\$ 1,170	3.64 %
Commercial real estate	34,473	2,211	6.33	34,375	1,517	4.35	30,412	1,232	3.99
Residential real estate	23,614	971	4.11	21,257	797	3.75	16,770	595	3.55
Consumer	20,380	1,229	6.03	19,538	908	4.65	17,331	767	4.43
Total loans and leases, net	132,738	8,051	6.07	119,297	5,259	4.41	96,613	3,764	3.90
Interest-bearing deposits at banks	26,202	1,360	5.19	33,435	509	1.52	35,829	48	.13
Federal funds sold and agreements to resell securities	—	—	5.39	70	—	.43	167	—	.12
Trading account	133	4	3.20	109	2	1.49	50	1	1.89
Investment securities (b):									
U.S. Treasury and federal agencies	24,067	696	2.89	16,933	410	2.42	5,736	129	2.24
Obligations of states and political subdivisions	2,539	95	3.72	2,025	71	3.52	1	—	5.87
Other	1,326	72	5.44	939	35	3.66	672	12	1.87
Total investment securities	27,932	863	3.09	19,897	516	2.59	6,409	141	2.20
Total earning assets	187,005	10,278	5.50	172,808	6,286	3.64	139,068	3,954	2.84
Allowance for credit losses	(1,999)			(1,751)			(1,620)		
Cash and due from banks	1,765			1,776			1,446		
Other assets	18,626			17,419			13,775		
Total assets	<u>\$ 205,397</u>			<u>\$ 190,252</u>			<u>\$ 152,669</u>		
Liabilities and Shareholders' Equity									
Interest-bearing liabilities:									
Interest-bearing deposits:									
Savings and interest-checking deposits	\$ 89,489	\$ 1,746	1.95 %	\$ 84,753	\$ 271	.32 %	\$ 70,879	\$ 33	.05 %
Time deposits	17,131	671	3.92	4,850	24	.49	3,263	19	.57
Deposits at Cayman Islands office	—	—	—	—	—	—	181	—	.11
Total interest-bearing deposits	106,620	2,417	2.27	89,603	295	.33	74,323	52	.07
Short-term borrowings	5,758	292	5.07	936	19	2.08	68	—	.01
Long-term borrowings	7,296	400	5.49	3,440	111	3.23	3,537	62	1.76
Total interest-bearing liabilities	119,674	3,109	2.60	93,979	425	.45	77,928	114	.14
Noninterest-bearing deposits	55,474			68,888			55,666		
Other liabilities	4,350			3,575			2,166		
Total liabilities	179,498			166,442			135,760		
Shareholders' equity	25,899			23,810			16,909		
Total liabilities and shareholders' equity	<u>\$ 205,397</u>			<u>\$ 190,252</u>			<u>\$ 152,669</u>		
Net interest spread			2.90			3.19			2.70
Contribution of interest-free funds			.93			.20			.06
Net interest income/margin on earning assets		<u>\$ 7,169</u>	<u>3.83 %</u>		<u>\$ 5,861</u>	<u>3.39 %</u>		<u>\$ 3,840</u>	<u>2.76 %</u>

(a) Includes nonaccrual loans.

(b) Includes available-for-sale investment securities at amortized cost.

Table 5

CHANGES IN INTEREST INCOME AND EXPENSE (a)

(Dollars in millions)	2023 Compared with 2022			2022 Compared with 2021		
	Resulting from Changes in:			Resulting from Changes in:		
	Total Change	Volume	Rate	Total Change	Volume	Rate
Interest income (b):						
Loans and leases, including fees	\$ 2,792	\$ 643	\$ 2,149	\$ 1,495	\$ 961	\$ 535
Deposits at banks	851	(131)	982	461	(4)	465
Trading account	2	1	1	1	1	—
Investment securities:						
U.S. Treasury and federal agencies	286	196	90	281	270	11
Obligations of states and political subdivisions	24	20	4	71	71	—
Other	37	16	21	23	7	16
Total interest income	<u>\$ 3,992</u>			<u>\$ 2,332</u>		
Interest expense:						
Interest-bearing deposits:						
Savings and interest-checking deposits	\$ 1,475	\$ 16	\$ 1,459	\$ 238	\$ 8	\$ 230
Time deposits	647	174	473	5	8	(3)
Short-term borrowings	273	213	60	19	1	18
Long-term borrowings	289	178	111	49	(2)	51
Total interest expense	<u>\$ 2,684</u>			<u>\$ 311</u>		

(a) The apportionment of changes resulting from the combined effect of both volume and rate was based on the separately determined volume and rate changes.

(b) Interest income data are on a taxable-equivalent basis.

Lending Activities

Average loans and leases were \$132.7 billion in 2023, up from \$119.3 billion in 2022. Included in average loans and leases in the recent year as compared with a year earlier was the impact of one additional quarter of loans obtained in the People's United acquisition. Loans acquired from People's United totaled \$35.8 billion on the April 1, 2022 acquisition date and consisted of approximately \$16.1 billion of commercial and industrial loans, \$11.0 billion of commercial real estate loans, \$7.1 billion of residential real estate loans and \$1.6 billion of consumer loans. Table 6 summarizes average loans and leases outstanding in 2023 and percentage changes in the major components of the portfolio over the past two years.

- Average balances of commercial and industrial loans increased \$10.1 billion or 23% to \$54.3 billion in 2023 from \$44.1 billion in 2022. In addition to the acquisition of People's United, that increase also reflects growth in loans to financial and insurance industry customers and loans to motor vehicle and recreational finance dealers.
- Average commercial real estate loan balances in 2023 were largely unchanged from the year earlier. Partially offsetting the impact of one additional quarter of commercial real estate loans obtained in the acquisition of People's United was a reduction in average balances as the Company sought to reduce its relative concentration of commercial real estate lending in 2023.

- Average residential real estate loans were \$23.6 billion and \$21.3 billion in 2023 and 2022, respectively. The growth in residential real estate loans was largely attributable to the impact of one additional quarter of loans acquired from People's United. Throughout 2022, M&T retained rather than sold most originated residential mortgage loans. In the first quarter of 2023, M&T returned to originating for sale the majority of its newly committed residential mortgage loans.
- Consumer loans averaged \$20.4 billion in 2023, an increase of \$0.8 billion or 4% from \$19.5 billion in 2022, reflecting growth in average recreational finance loans, partially offset by declines in average automobile loans.

Table 6

**AVERAGE LOANS AND LEASES
(Net of Unearned Discount)**

(Dollars in millions)	2023	Percent Change from	
		2022 to 2023	2021 to 2022
Commercial and industrial	\$ 54,271	23 %	37 %
Commercial real estate	34,473	—	13
Residential real estate	23,614	11	27
Consumer:			
Recreational finance	9,386	10	11
Automobile	4,134	-9	2
Home equity lines and loans	4,782	2	25
Other	2,078	13	25
Total consumer	20,380	4	13
Total	\$ 132,738	11 %	23 %

Average loans and leases increased 23% in 2022, up from \$96.6 billion in 2021.

- Inclusive of the three-quarter impact of the acquired loan balances, average balances of commercial and industrial loans increased \$12.0 billion or 37% to \$44.1 billion in 2022 from \$32.1 billion in 2021. Partially offsetting the increase from acquired loans was a reduction in average balances of PPP loans, reflecting loan repayments by the SBA. PPP loans averaged \$446 million in 2022, compared with \$4.1 billion in 2021.
- Average commercial real estate loans increased \$4.0 billion or 13% to \$34.4 billion in 2022 from \$30.4 billion in 2021. That increase was predominantly due to the impact of loans obtained in the acquisition of People's United, partially offset by a reduction in average balances of legacy construction and permanent mortgage loans, reflecting repayments by customers.
- Average residential real estate loans were \$21.3 billion and \$16.8 billion in 2022 and 2021, respectively. The growth in residential real estate loans was largely attributable to loans obtained in the acquisition of People's United and the Company's decision in the third quarter of 2021 (and continuing throughout 2022) to retain rather than sell most originated residential mortgage loans. Partially offsetting those increases was the impact of ongoing repayments of loans by customers.
- Consumer loans averaged \$19.5 billion in 2022, an increase of \$2.2 billion or 13% from \$17.3 billion in 2021, reflecting the impact of loans obtained in the acquisition of People's United (that consisted predominantly of outstanding balances of home equity lines of credit) and growth in average recreational finance loans.

Table 7 presents the composition of the Company's loan and lease portfolio at the end of 2023, including outstanding balances to businesses and consumers in New York State, the Mid-Atlantic area, the New England region and other states.

Table 7

LOANS AND LEASES
(Net of Unearned Discount)

December 31, 2023

(Dollars in millions)	Outstanding	New York	Percent of Dollars Outstanding Mid-Atlantic (a)	New England (b)	Other
Real estate:					
Residential	\$ 23,264	31 %	30 %	26 %	13 %
Commercial	33,003	34	27	21	18
Total real estate	56,267	32	29	23	16
Commercial and industrial	54,459	25	33	14	28
Consumer:					
Recreational finance	10,058	9	16	7	68
Home equity lines and loans	4,649	35	41	23	1
Automobile	3,992	24	50	6	20
Other secured or guaranteed	694	29	38	9	24
Other unsecured	1,398	36	55	7	2
Total consumer	20,791	20	31	11	38
Total loans	131,517	27	31	18	24
Commercial leases	2,551	22	24	7	47
Total loans and leases	<u>\$ 134,068</u>	<u>27 %</u>	<u>31 %</u>	<u>17 %</u>	<u>25 %</u>

(a) Includes Delaware, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia and the District of Columbia.

(b) Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

Commercial and industrial loans, including leases, totaled \$57.0 billion at December 31, 2023, representing 43% of total loans. Table 8 presents information on commercial and industrial loans as of December 31, 2023 relating to geographic area, size, borrower industry and whether the loans are secured by collateral or unsecured. Owner-occupied loans secured by real estate included in commercial and industrial loans at December 31, 2023 totaled \$9.9 billion. The real estate securing such loans is typically used in the primary business operations of the borrower and is not predominantly dependent on rental income from tenants. The Company also provides financing for leases to commercial customers. Commercial leases included in total commercial and industrial loans at December 31, 2023 aggregated \$2.6 billion.

Table 8

COMMERCIAL AND INDUSTRIAL LOANS
(Includes Owner-Occupied Loans Secured by Real Estate)

December 31, 2023

(Dollars in millions)	New York	Mid-Atlantic (a)	New England (b)	Other	Total	Percent of Total
Commercial and industrial excluding owner-occupied real estate by industry:						
Financial and insurance	\$ 2,761	\$ 1,913	\$ 1,148	\$ 4,857	\$ 10,679	19 %
Services	1,418	2,700	1,323	1,274	6,715	12
Motor vehicle and recreational finance dealers	1,484	1,916	629	2,213	6,242	11
Manufacturing	1,459	2,089	834	1,599	5,981	10
Wholesale	897	1,552	615	739	3,803	7
Transportation, communications, utilities	376	914	362	1,690	3,342	6
Retail	590	861	273	1,003	2,727	5
Construction	476	793	188	635	2,092	4
Health services	691	665	300	294	1,950	3
Real estate investors	732	629	65	258	1,684	3
Other	362	600	164	763	1,889	3
Total commercial and industrial excluding owner-occupied real estate	11,246	14,632	5,901	15,325	47,104	83
Owner-occupied real estate by industry:						
Services	829	791	485	57	2,162	4
Motor vehicle and recreational finance dealers	397	693	266	511	1,867	3
Retail	364	693	334	150	1,541	3
Wholesale	211	465	176	88	940	2
Manufacturing	281	265	239	57	842	1
Real estate investors	261	336	194	27	818	1
Health services	351	198	98	9	656	1
Other	383	499	162	36	1,080	2
Total owner-occupied real estate	3,077	3,940	1,954	935	9,906	17
Total	\$ 14,323	\$ 18,572	\$ 7,855	\$ 16,260	\$ 57,010	100 %
Percent of total	25 %	33 %	14 %	28 %	100 %	
Percent of dollars outstanding:						
Secured	85 %	87 %	92 %	86 %	87 %	
Unsecured	11	10	6	6	8	
Leases	4	3	2	8	5	
Total	100 %	100 %	100 %	100 %	100 %	
Percent of dollars outstanding by loan size:						
Less than \$1 million	20 %	21 %	16 %	26 %	22 %	
\$1 million to \$10 million	36	34	39	21	31	
\$10 million to \$30 million	25	24	29	16	23	
\$30 million to \$50 million	8	9	9	9	9	
\$50 million to \$100 million	5	8	7	15	9	
Greater than \$100 million	6	4	—	13	6	
Total	100 %	100 %	100 %	100 %	100 %	

(a) Includes Delaware, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia and the District of Columbia.

(b) Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

Loans secured by real estate, including outstanding balances of owner-occupied loans and home equity loans and lines of credit which the Company classifies as commercial and industrial loans and consumer loans, respectively, represented approximately 53% of the loan and lease portfolio at December 31, 2023, compared with 56% and 59% at December 31, 2022 and 2021, respectively.

Commercial real estate loans originated by the Company are typically secured by investor-owned real estate and include both fixed and variable rate instruments with monthly payments and a balloon payment of the remaining unpaid principal at maturity. Maturity dates generally range from five to ten years and, for borrowers in good standing, the terms of such loans may be extended by the customer following maturity at the then-current market rate of interest. Adjustable-rate commercial real estate loans represented approximately 85% of the commercial real estate loan portfolio at the 2023 year end. Table 9 presents commercial real estate loans by geographic area, type of collateral and size of the loans outstanding at December 31, 2023. The \$25.3 billion of permanent finance commercial real estate loans at December 31, 2023 were largely secured by multifamily residential, retail, service and office properties. The Company's experience has been that office, retail and service-related properties tend to demonstrate more volatile fluctuations in value through economic cycles and changing economic conditions than do multifamily residential properties. New York City commercial real estate loans totaled \$4.8 billion at December 31, 2023 as compared with \$5.3 billion at December 31, 2022. Commercial real estate loans secured by properties located outside of the New England area, the Mid-Atlantic area and New York State comprised 18% of total commercial real estate loans as of December 31, 2023.

Commercial real estate construction and development loans presented in Table 9 totaled \$7.7 billion at December 31, 2023, or 6% of total loans and leases. Approximately 97% of those construction loans had adjustable interest rates. Included in such loans at the 2023 year end were loans made for various purposes, including the construction of office buildings, multifamily residential housing, retail space and other commercial development. The remainder of the commercial real estate construction portfolio was comprised of loans to builders and developers of residential real estate properties.

M&T Realty Capital, a commercial real estate lending subsidiary of M&T Bank, participates in the DUS program of Fannie Mae, pursuant to which commercial real estate loans are originated in accordance with terms and conditions specified by Fannie Mae and sold. Under this program, loans are sold with partial credit recourse to M&T Realty Capital. The amount of recourse is generally limited to one-third of any credit loss incurred by the purchaser on an individual loan, although in some cases the recourse amount is less than one-third of the outstanding principal balance. The Company's maximum credit risk for recourse associated with sold commercial real estate loans was approximately \$3.9 billion at each of December 31, 2023 and 2022. There have been no material losses incurred as a result of those recourse arrangements.

Table 9

COMMERCIAL REAL ESTATE LOANS

December 31, 2023

	New York State						
	New York City	Other	Mid-Atlantic (a)	New England (b)	Other	Total	Percent of Total
(Dollars in millions)							
Permanent finance by property type:							
Apartments/Multifamily	\$ 1,160	\$ 1,246	\$ 1,007	\$ 1,618	\$ 1,134	\$ 6,165	19%
Retail/Service	1,128	1,300	1,479	1,404	601	5,912	18
Office	688	1,057	1,190	1,318	474	4,727	14
Health facilities	187	811	1,317	594	706	3,615	11
Hotel	143	469	776	623	499	2,510	8
Industrial/Warehouse	140	369	600	413	512	2,034	6
Other	108	88	73	45	—	314	1
Total permanent	3,554	5,340	6,442	6,015	3,926	25,277	77
Construction/Development:							
Commercial:							
Construction	1,010	802	2,327	877	1,195	6,211	19
Land/Land development	151	26	143	23	99	442	1
Residential builder and developer:							
Construction	73	10	75	14	493	665	2
Land/Land development	—	13	66	11	318	408	1
Total construction/development (c)	1,234	851	2,611	925	2,105	7,726	23
Total commercial real estate	\$ 4,788	\$ 6,191	\$ 9,053	\$ 6,940	\$ 6,031	\$ 33,003	100%
Percent of total	15%	19%	27%	21%	18%	100%	
Percent of dollars outstanding by loan size:							
Less than \$1 million	2%	8%	4%	6%	8%	6%	
\$1 million to \$10 million	24	42	27	39	21	31	
\$10 million to \$30 million	35	36	39	40	27	36	
\$30 million to \$50 million	14	11	21	13	28	17	
\$50 million to \$100 million	18	3	8	2	14	8	
Greater than \$100 million	7	—	1	—	2	2	
Total	100%	100%	100%	100%	100%	100%	

(a) Includes Delaware, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia and the District of Columbia.

(b) Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

(c) Total includes \$450 million of owner-occupied construction loans.

Real estate loans secured by one-to-four family residential properties were \$23.3 billion at December 31, 2023, including approximately 31% secured by properties located in New York State, 30% secured by properties in the Mid-Atlantic area and 26% secured by properties located in New England. The Company's portfolio of limited documentation residential real estate loans totaled \$911 million at December 31, 2023, compared with \$1.1 billion at December 31, 2022. That portfolio consisted predominantly of limited documentation loans acquired in a prior business combination. At origination such loans typically included some form of limited borrower documentation requirements as compared with more traditional residential real estate loans. The acquired loans that were eligible for limited documentation processing were available in amounts up to 65% of the lower of the appraised value or purchase price of the property. Information about the credit performance of the Company's residential real estate loans is included herein under the heading "Provision for Credit Losses."

Consumer loans comprised approximately 16% of total loans and leases at each of December 31, 2023 and 2022. Outstanding balances of recreational finance loans represented the largest component of the consumer loan portfolio at December 31, 2023 and totaled \$10.1 billion or approximately 8% of total loans, compared with \$9.1 billion or 7% at December 31, 2022. Outstanding automobile loan balances were \$4.0 billion at December 31, 2023, compared with \$4.5 billion at December 31, 2022. Home equity loans and lines of credit outstanding at December 31, 2023 and December 31, 2022 were \$4.6 billion and \$5.0 billion, respectively.

Investing Activities

The investment securities portfolio averaged \$27.9 billion in 2023, up from \$19.9 billion and \$6.4 billion in 2022 and 2021, respectively. The higher average balance in 2023 as compared with 2022 reflects the impact of one additional quarter of investment securities acquired in the acquisition of People's United, which added approximately \$11.6 billion to the investment securities portfolio on April 1, 2022, and purchases of approximately \$3.3 billion of investment securities in 2023. The higher average balance in 2022 as compared with 2021, reflects the investment securities acquired from People's United and purchases of approximately \$9.1 billion of investment securities in 2022. During 2023 and 2022 the Company purchased approximately \$3.2 billion and \$1.9 billion of fixed rate residential mortgage-backed securities, respectively, and approximately \$50 million and \$7.3 billion of U.S. Treasury notes, respectively. There were no significant sales of investment securities in 2023 and 2022. The Company routinely has increases and decreases in its holdings of capital stock of the FHLB of New York and the FRB of New York. Those holdings are accounted for at cost and are adjusted based on the amounts of outstanding borrowings and available lines of credit with those entities.

The investment securities portfolio is largely comprised of residential mortgage-backed securities and shorter-term U.S. Treasury and federal agency notes, but also includes municipal securities and commercial real estate mortgage-backed securities. When purchasing investment securities, the Company considers its liquidity position and its overall interest-rate risk profile as well as the adequacy of expected returns relative to risks assumed, including prepayments. The Company may occasionally sell investment securities as a result of movements in interest rates and spreads, changes in liquidity needs, actual or anticipated prepayments, credit risk associated with a particular security, or as a result of restructuring its investment securities portfolio in connection with a business combination. The amounts of investment securities held by the Company are influenced by such factors as available yield in comparison with alternative investments, demand for loans, which generally yield more than investment securities, ongoing repayments, the levels of deposits, and management of liquidity and balance sheet size and resulting capital ratios.

Fair value changes in equity securities with readily determinable fair values are recognized in the Consolidated Statement of Income. Net unrealized gains on such equity securities were \$4 million in 2023, compared with net unrealized losses of \$6 million in 2022 and \$21 million in 2021. Those gains and losses include changes in value of the Company's holdings of Fannie Mae and Freddie Mac preferred stock.

The Company regularly reviews its debt investment securities for declines in value below amortized cost that might be indicative of credit-related losses. In light of such reviews, there were no credit-related losses on debt investment securities recognized in 2023, 2022 or 2021. A further discussion of fair values of investment securities is included herein under the heading "Capital." Additional information about the investment securities portfolio is included in notes 3 and 21 of Notes to Financial Statements.

Other earning assets include interest-bearing balances at the FRB of New York and other banks, trading account assets, federal funds sold and agreements to resell securities. Those other earning assets in the aggregate averaged \$26.3 billion in 2023, \$33.6 billion in 2022 and \$36.0 billion in 2021. Interest-bearing deposits at banks averaged \$26.2 billion in 2023, compared with \$33.4 billion in 2022 and \$35.8 billion in 2021. The amounts of interest-bearing deposits at banks at the respective dates were predominantly comprised of deposits held at the FRB of New York. In general, the levels of those deposits often fluctuate due to changes in deposits of retail and commercial customers, trust-related deposits and additions to or maturities of investment securities or borrowings.

Funding Activities - Deposits

Table 10 summarizes average deposits in 2023 and percentage changes in the components of such deposits over the past two years.

Table 10

AVERAGE DEPOSITS

(Dollars in millions)	2023	Percent Change from	
		2022 to 2023	2021 to 2022
Noninterest-bearing deposits	\$ 55,474	-19 %	24 %
Savings and interest-checking deposits	84,868	5	21
Time deposits of \$250,000 or less	8,055	110	34
Total core deposits	148,397	-4	23
Time deposits greater than \$250,000	2,280	199	90
Brokered deposits	11,417	194	1
Cayman Islands deposits	—	—	-100
Total deposits	\$ 162,094	2 %	22 %

The most significant source of funding for the Company is core deposits. The Company considers noninterest-bearing deposits, interest-bearing transaction accounts, savings deposits and time deposits of \$250,000 or less as core deposits. The Company's branch network is its principal source of core deposits, which generally carry lower interest rates than wholesale funds of comparable maturities. The decline in average core deposits in 2023 as compared with 2022 reflects continued monetary tightening that influenced customers to seek higher rate alternatives, including a shift from operating demand accounts to off-balance sheet sweep accounts for commercial customers. Lower levels of activity in the capital markets also resulted in a reduction of trust demand deposits. Partially offsetting the decline was the impact of one additional quarter of core deposits obtained in the acquisition of People's United in 2023 as compared with 2022. The People's United acquisition added approximately \$50.8 billion of core deposits on April 1, 2022, including \$17.4 billion of noninterest-bearing deposits, \$30.8 billion of savings and interest-checking deposits and \$2.6 billion of time deposits. As compared with 2021, the increase in core deposits resulting from the acquisition of People's United was partially offset by the Company's initiative to reduce certain historically higher-cost deposits as well as customer reactions to the generally rising interest rate environment. Funding provided by core deposits represented 79% of average earning assets in 2023, compared with 89% in 2022 and 90% in 2021. Core deposits totaled \$146.5 billion, \$154.6 billion and \$128.0 billion at December 31, 2023, 2022 and 2021, respectively.

Table 11

AVERAGE DEPOSITS BY SEGMENT

(Dollars in millions)	Commercial Bank	Retail Bank	Institutional Services and Wealth Management	All Other	Total
2023					
Noninterest-bearing deposits	\$ 17,173	\$ 28,399	\$ 9,224	\$ 678	\$ 55,474
Savings and interest-checking deposits	24,908	53,097	7,116	4,368	89,489
Time deposits	338	9,970	21	6,802	17,131
Total	<u>\$ 42,419</u>	<u>\$ 91,466</u>	<u>\$ 16,361</u>	<u>\$ 11,848</u>	<u>\$ 162,094</u>
2022					
Noninterest-bearing deposits	\$ 26,084	\$ 30,274	\$ 11,676	\$ 854	\$ 68,888
Savings and interest-checking deposits	17,555	56,182	7,668	3,348	84,753
Time deposits	189	4,399	12	250	4,850
Total	<u>\$ 43,828</u>	<u>\$ 90,855</u>	<u>\$ 19,356</u>	<u>\$ 4,452</u>	<u>\$ 158,491</u>
2021					
Noninterest-bearing deposits	\$ 22,468	\$ 21,865	\$ 10,534	\$ 799	\$ 55,666
Savings and interest-checking deposits	14,067	46,553	6,592	3,667	70,879
Time deposits	85	3,152	25	1	3,263
Deposits at Cayman Islands office	181	—	—	—	181
Total	<u>\$ 36,801</u>	<u>\$ 71,570</u>	<u>\$ 17,151</u>	<u>\$ 4,467</u>	<u>\$ 129,989</u>

The Company also receives funding from other deposit sources, including branch-related time deposits over \$250,000, brokered deposits and, prior to June 30, 2021, deposits associated with the Company's Cayman Islands office. Time deposits over \$250,000 averaged \$2.3 billion in 2023, \$762 million in 2022 and \$402 million in 2021. The increase in such deposits in 2023 as compared with 2022 predominantly reflects higher demand for time deposit products amidst a rising rate environment. The increase in average time deposits over \$250,000 in 2022 as compared with 2021 reflected the impact of the acquisition of People's United and similarly higher demand for time deposit products as interest rates rose in 2022. The Company had brokered savings and interest-bearing transaction accounts that averaged \$4.6 billion in 2023, compared with \$3.6 billion in 2022 and \$3.8 billion in 2021. Brokered time deposits averaged \$6.8 billion in 2023, compared with \$250 million in 2022. Brokered time deposits were not a significant source of funding in 2021. The increase in average brokered deposits in 2023 as compared with 2022 and 2021 reflects the Company's liquidity management and funding strategies during a period of rising interest rates and was predominantly due to brokered deposits added late in the fourth quarter of 2022 and throughout 2023. Additional brokered deposits may be added in the future depending on market conditions, including demand by customers and other investors for those deposits, and the cost of funds available from alternative sources at the time.

Funding Activities - Borrowings

Table 12 summarizes the average balances utilized from the Company's short-term and long-term borrowing facilities and note programs.

Table 12

AVERAGE BORROWINGS

(Dollars in millions)	2023	2022	2021
Short-term borrowings:			
Federal funds purchased and repurchase agreements	\$ 430	\$ 368	\$ 68
FHLB advances	5,328	309	—
Other short-term borrowings	—	259	—
Total short-term borrowings	<u>\$ 5,758</u>	<u>\$ 936</u>	<u>\$ 68</u>
Long-term borrowings:			
Senior notes	\$ 5,569	\$ 2,027	\$ 2,422
Subordinated notes	982	863	581
Junior subordinated debentures	538	534	530
Asset-backed notes	192	—	—
Other	15	16	4
Total long-term borrowings	7,296	3,440	3,537
Total borrowed funds	<u>\$ 13,054</u>	<u>\$ 4,376</u>	<u>\$ 3,605</u>

The Company also uses borrowing capacity from banks, the FHLBs, the FRB of New York and others as sources of funding. Short-term borrowings represent arrangements that at the time they were entered into had a contractual maturity of one year or less. The higher levels of short-term borrowings in 2023 as compared with 2022 and 2021 reflect the Company's management of liquidity. Short-term borrowings assumed in connection with the People's United acquisition totaled \$895 million on April 1, 2022. In October 2022, M&T redeemed \$500 million of unsecured senior notes due to mature in December 2022 that had been assumed in the acquisition of People's United and included in short-term borrowings.

Long-term borrowings averaged \$7.3 billion in 2023, \$3.4 billion in 2022 and \$3.5 billion in 2021.

- During 2023, M&T issued \$2.0 billion of fixed-to-floating senior notes at interest rates between 5.05% and 7.41% maturing from October 2029 to January 2034 and M&T Bank issued \$2.5 billion of fixed rate senior notes at interest rates between 4.65% and 4.70% maturing from January 2026 to January 2028. In 2023, \$500 million of fixed rate and \$250 million of variable rate senior notes of M&T matured. In August 2023, a subsidiary of M&T Bank that specializes in equipment financing issued \$550 million of asset-backed notes secured by equipment finance loans and leases at a weighted-average interest rate of 5.84% at the time of the securitization.
- In 2022, M&T issued \$500 million of fixed-to-floating senior notes at an interest rate of 4.55% maturing in August 2028 and M&T Bank issued \$500 million of fixed rate senior notes at an interest rate of 5.40% maturing in November 2025. During 2022, M&T Bank redeemed \$650 million of fixed rate senior notes and \$250 million of variable rate senior notes of M&T Bank matured. As of April 1, 2022, long-term borrowings assumed in the People's United acquisition totaled \$494 million and included \$483 million of fixed-rate subordinated notes and \$11 million of FHLB advances.

- In 2021, \$350 million of variable rate senior notes of M&T Bank matured and M&T Bank redeemed \$500 million of subordinated capital notes.

Additional information regarding long-term borrowings, including information regarding contractual maturities of such borrowings, is provided in note 9 of Notes to Financial Statements.

Net Interest Margin

Net interest income can be impacted by changes in the composition of the Company's earning assets and interest-bearing liabilities, as discussed herein, as well as changes in interest rates and spreads. Net interest spread, or the difference between the taxable-equivalent yield on earning assets and the rate paid on interest-bearing liabilities, was 2.90% in 2023, compared with 3.19% in 2022 and 2.70% in 2021. The yield on the Company's earning assets increased 186 basis points to 5.50% in 2023 from 3.64% in 2022 and the rate paid on interest-bearing liabilities increased 215 basis points to 2.60% in 2023 from .45% in 2022. The decline in the net interest spread in 2023 as compared with 2022 reflects the impact of higher rates on interest-bearing liabilities (predominantly interest-bearing deposits) resulting from a general rise in interest rates and increased competition for deposits, partially offset by higher yields on loans and leases, deposits at the FRB of New York and investment securities. The increase in the net interest spread in 2022 as compared with 2021 reflects the impact of generally rising interest rates as increases in yields on loans and leases, deposits at the FRB of New York and investment securities outpaced the rise in rates paid on interest-bearing liabilities. The FOMC raised its target federal funds rate with a series of rate hikes that totaled 5.25% from March of 2022 through July of 2023.

Net interest-free funds consist largely of noninterest-bearing demand deposits and shareholders' equity, partially offset by bank owned life insurance and non-earning assets, including goodwill and core deposit and other intangible assets. Net interest-free funds averaged \$67.3 billion in 2023, \$78.8 billion in 2022 and \$61.1 billion in 2021. The decrease in average net interest-free funds in 2023 as compared with 2022 reflects a decline in the average balance of noninterest-bearing deposits. Noninterest-bearing deposits averaged \$55.5 billion in 2023, \$68.9 billion in 2022 and \$55.7 billion in 2021. The decline in average noninterest-bearing deposits in 2023 as compared with 2022 reflects customer use of off-balance sheet investment products and a shift in deposits to interest-bearing accounts as interest rates rose. The growth in noninterest-bearing deposits from 2021 to 2022 reflects the impact of the People's United acquisition. In connection with the People's United acquisition, the Company assumed \$17.4 billion of noninterest-bearing deposits at the acquisition date. Shareholders' equity averaged \$25.9 billion in 2023, compared with \$23.8 billion and \$16.9 billion in 2022 and 2021, respectively. The higher amounts of shareholders' equity in 2023 and 2022 as compared with 2021 reflects retained earnings and additional equity issued in connection with the People's United acquisition, partially offset by share repurchase activity. M&T issued \$8.4 billion of common equity and \$261 million of preferred equity in completing the acquisition of People's United on April 1, 2022. M&T repurchased \$600 million of its common stock (inclusive of the share repurchase excise tax) in 2023 and \$1.8 billion in 2022. Goodwill and core deposit and other intangible assets averaged \$8.7 billion in 2023, \$7.7 billion in 2022 and \$4.6 billion in 2021. The Company recorded \$3.9 billion of goodwill on April 1, 2022 which represents consideration paid over the fair value of net assets acquired in the People's United transaction. As part of the transaction, intangible assets were identified, thereby increasing the balance of core deposit and other intangible assets on the Company's balance sheet by \$261 million on April 1, 2022. Reflecting the impact of the People's United acquisition, the cash surrender value of bank owned life insurance averaged \$2.6 billion in 2023 and \$2.4 billion in 2022, compared with \$1.9 billion in 2021. Increases in the cash surrender value of bank owned life insurance are not included in interest income, but rather are recorded in other revenues from operations. The contribution of net interest-free funds to net interest margin was .93% in 2023, .20% in 2022 and .06%

in 2021. The increased contribution of net-interest free funds in 2023 as compared with 2022 and 2021 reflects the higher rates on interest-bearing liabilities used to value net interest-free funds.

Reflecting the changes to the net interest spread and the contribution of net interest-free funds as described herein, the Company's net interest margin was 3.83% in 2023, 3.39% in 2022 and 2.76% in 2021. Actions taken by the FOMC have led to generally higher interest rates overall and, accordingly, have contributed to the Company's higher net interest margin in 2023 and 2022 as compared with 2021. Future changes in market interest rates or spreads, as well as changes in the composition of the Company's portfolios of earning assets and interest-bearing liabilities that result in reductions in spreads, could impact the Company's net interest income and net interest margin.

Management assesses the potential impact of future changes in interest rates and spreads by projecting net interest income under several interest rate scenarios. In managing interest rate risk, the Company has utilized interest rate swap agreements to modify the repricing characteristics of certain portions of its earning assets and interest-bearing liabilities. Under the terms of those interest rate swap agreements, the Company received payments based on the outstanding notional amount at fixed rates and made payments at variable rates. Periodic settlement amounts arising from these agreements are reflected in either the yields on earning assets or the rates paid on interest-bearing liabilities. The Company enters into forward-starting interest rate swap agreements predominantly to hedge interest rate exposures expected in future periods. Table 13 summarizes information about interest rate swap agreements entered into for interest rate risk management purposes at December 31, 2023 and 2022.

Table 13

INTEREST RATE SWAP AGREEMENTS - DESIGNATED AS HEDGES

(Dollars in millions)	Active	Notional Amount		Average Maturity (In years)	Weighted- Average Rate	
		Forward- Starting	Total		Fixed	Variable
December 31, 2023						
Fair value hedges:						
Fixed rate long-term borrowings	\$ 2,000	\$ 1,000	\$ 3,000	5.8	3.45 %	5.62 %
Cash flow hedges:						
Interest payments on variable rate commercial real estate loans	14,977	9,000	23,977	1.7	3.45	5.36
Total	<u>\$ 16,977</u>	<u>\$ 10,000</u>	<u>\$ 26,977</u>	<u>2.2</u>		
December 31, 2022						
Fair value hedges:						
Fixed rate long-term borrowings	\$ 1,500	\$ —	\$ 1,500	3.3	2.98 %	4.52 %
Cash flow hedges:						
Interest payments on variable rate commercial real estate loans	11,250	4,650	15,900	1.4	1.91	4.38
Total	<u>\$ 12,750</u>	<u>\$ 4,650</u>	<u>\$ 17,400</u>	<u>1.6</u>		

In a cash flow hedge, the derivative's gain or loss is initially reported as a component of other comprehensive income and subsequently reclassified into earnings when the forecasted transaction affects earnings. Information regarding the valuation of cash flow hedges included in other comprehensive income is presented in note 16 of Notes to Financial Statements. In a fair value hedge, the fair value of the derivative (the interest rate swap agreement) and changes in the fair value of the hedged item are recorded in the Company's Consolidated Balance Sheet with the corresponding gain or loss recognized in current earnings. The difference between changes in the fair value of the interest rate swap agreements and the hedged items represents hedge ineffectiveness and is recorded as an adjustment to the interest expense of the respective hedged item. The amounts of hedge ineffectiveness recognized in 2023, 2022 and 2021 were not material to the Company's consolidated results of operations. Additional information about the Company's use of interest rate swap agreements and other derivatives is included in note 19 of Notes to Financial Statements. The average notional amounts of

interest rate swap agreements entered into for interest rate risk management purposes (excluding forward-starting interest rate swap agreements not in effect during the year), the related effect on net interest income and margin, and the weighted-average interest rates paid or received on those swap agreements are presented in Table 14.

Table 14

INTEREST RATE SWAP AGREEMENTS - EFFECT ON NET INTEREST INCOME

(Dollars in millions)	Year Ended December 31,					
	2023		2022		2021	
	Amount	Rate (a)	Amount	Rate (a)	Amount	Rate (a)
Increase (decrease) in:						
Interest income (cash flow hedges)	\$ (250)	-.13 %	\$ (36)	-.02 %	\$ 252	.18 %
Interest expense (fair value hedges)	52	.04	(10)	-.01	(35)	-.03
Net interest income/margin	<u>\$ (302)</u>	<u>-.16 %</u>	<u>\$ (26)</u>	<u>-.02 %</u>	<u>\$ 287</u>	<u>.20 %</u>
Average notional amount (b)	<u>\$ 14,027</u>		<u>\$ 15,487</u>		<u>\$ 18,282</u>	
Rate received (c)		3.12 %		1.73 %		1.75 %
Rate paid (c)		5.24		1.90		.18

(a) Computed as a percentage of average earning assets or interest-bearing liabilities.

(b) Excludes forward-starting interest rate swap agreements not in effect during the year.

(c) Weighted-average rate paid or received on interest rate swap agreements in effect during the year.

Provision for Credit Losses

A provision for credit losses is recorded to adjust the level of the allowance to reflect expected credit losses that are based on economic forecasts as of each reporting date. A provision for credit losses of \$645 million and \$517 million was recorded in 2023 and 2022, respectively, compared with a recapture of previously recorded provision of \$75 million in 2021. The Company's estimates of expected credit losses at December 31, 2023, include projections of a modest rise in the unemployment rate, a reduction in the growth rate of GDP from recent experience and declining residential real estate and commercial real estate values. The higher provision for credit losses in 2023 as compared with 2022 reflects declines in commercial real estate values and higher interest rates contributing to a deterioration in the performance of loans to commercial borrowers as well as a \$2.5 billion increase in loans and leases since December 31, 2022. The provision recorded in 2022 included \$242 million on loans obtained in the acquisition of People's United not deemed to be PCD. GAAP requires a provision for credit losses to be recorded related to those loans beyond the recognition of credit losses utilized in the determination of the estimated fair value of the loans at the acquisition date. In addition to the recorded provision, the allowance for credit losses was also increased by \$99 million in the second quarter of 2022 to reflect the expected credit losses on loans obtained in the acquisition of People's United deemed to be PCD. That addition represents an increase of the carrying values of loans identified as PCD at the time of the acquisition. The provision for credit losses in 2022 reflected assumptions spurred by Federal Reserve initiatives to curb high rates of inflation that could have led to overall deterioration of economic conditions and, thus, credit quality during an eight-quarter forecast period. The recapture of provision for credit losses in 2021 reflected economic assumptions and projections that considered the macroeconomic outlook associated with a period of recovery after the COVID-19 pandemic.

A summary of the Company's loan charge-offs, provision and allowance for credit losses is presented in Tables 15 and 21, and in note 5 of Notes to Financial Statements.

Table 15

LOAN CHARGE-OFFS, PROVISION AND ALLOWANCE FOR CREDIT LOSSES

(Dollars in millions)	2023	2022	2021
Allowance for credit losses beginning balance	\$ 1,925	\$ 1,469	\$ 1,736
Charge-offs:			
Commercial and industrial	132	119	124
Commercial real estate	253	60	100
Residential real estate	10	12	11
Consumer	175	112	103
Total charge-offs	570	303	338
Recoveries:			
Commercial and industrial	52	60	48
Commercial real estate	12	23	24
Residential real estate	7	10	9
Consumer	58	50	65
Total recoveries	129	143	146
Net charge-offs (a)	441	160	192
Allowance on acquired PCD loans	—	99	—
Provision for credit losses (b)	645	517	(75)
Allowance for credit losses ending balance	\$ 2,129	\$ 1,925	\$ 1,469
Net charge-offs as a percent of:			
Provision for credit losses	68.45 %	30.93 %	NM (c)
Average loans and leases, net of unearned discount	.33	.13	.20 %
Allowance for credit losses as a percent of:			
Loans and leases, net of unearned discount, at year-end	1.59	1.46	1.58
Nonaccrual loans, at year-end	98.28	78.96	71.32

(a) For the year ended December 31, 2022 net charge-offs do not reflect \$33 million of charge-offs related to PCD loans acquired on April 1, 2022.

(b) For the year ended December 31, 2022, provision for credit losses includes \$242 million related to non-PCD acquired loans recorded on April 1, 2022.

(c) Not meaningful.

Asset Quality

A summary of nonperforming assets and certain past due loan data and credit quality ratios is presented in Table 16.

Table 16

NONPERFORMING ASSET AND PAST DUE LOAN DATA

(Dollars in millions)	2023	December 31, 2022	2021
Nonaccrual loans	\$ 2,166	\$ 2,439	\$ 2,060
Real estate and other foreclosed assets	39	41	24
Total nonperforming assets	<u>\$ 2,205</u>	<u>\$ 2,480</u>	<u>\$ 2,084</u>
Accruing loans past due 90 days or more (a)	<u>\$ 339</u>	<u>\$ 491</u>	<u>\$ 963</u>
Government guaranteed loans included in totals above:			
Nonaccrual loans	\$ 53	\$ 44	\$ 51
Accruing loans past due 90 days or more (a)	298	363	928
Nonaccrual loans to total loans and leases, net of unearned discount	1.62%	1.85%	2.22%
Nonperforming assets to total net loans and leases and real estate and other foreclosed assets	1.64	1.88	2.24
Accruing loans past due 90 days or more to total loans and leases, net of unearned discount	.25	.37	1.04

(a) Predominantly residential real estate loans.

The level of nonaccrual loans reflects the continuing impact of economic conditions on borrowers' abilities to make contractual payments on their loans, most notably commercial real estate loans in the retail, office, healthcare and hospitality sectors. Loans obtained in the acquisition of People's United that have been classified as nonaccrual totaled \$492 million and \$572 million at December 31, 2023 and 2022, respectively.

At December 31, 2023, foreclosed assets were comprised predominantly of the Company's holding of residential real estate-related properties. Net gains or losses associated with real estate and other foreclosed assets were not material in 2023, 2022 or 2021.

Residential real estate loans past due 90 days or more and accruing interest totaled \$295 million at December 31, 2023, \$345 million at December 31, 2022 and \$920 million at December 31, 2021. Those amounts related predominantly to government-guaranteed loans. The lower balances at December 31, 2023 and 2022 as compared with December 31, 2021 reflect improved borrower repayment performance. Government guaranteed loans classified as accruing loans past due 90 days or more included one-to-four family residential mortgage loans serviced by the Company that were repurchased to reduce associated servicing costs, including a requirement to advance principal and interest payments that had not been received from individual mortgagors. Despite the loans being purchased by the Company, the insurance or guarantee by the applicable government-related entity remains in force. The outstanding principal balances of the repurchased loans included in the amounts noted above that are guaranteed by government-related entities totaled \$228 million at December 31, 2023, \$294 million at December 31, 2022 and \$889 million at December 31, 2021. The remaining accruing loans past due 90 days or more not guaranteed by government-related entities were loans considered to be with creditworthy borrowers that were in the process of collection or renewal.

Loans that were 30 to 89 days past due were \$1.7 billion at December 31, 2023, or 1.29% of total loans outstanding, compared with \$1.8 billion or 1.35% at December 31, 2022 and \$846 million or .91% at December 31, 2021. At December 31, 2023, 73% of loans 30 to 89 days past due were less

than 60 days delinquent. Information about delinquent loans at December 31, 2023 and 2022 is included in note 4 of Notes to Financial Statements.

During the normal course of business, the Company modifies loans to maximize recovery efforts. The types of modifications that the Company grants typically include principal deferrals and interest rate reductions but may also include other types of modifications. The Company may offer such modified terms to borrowers experiencing financial difficulty. Such modified loans may be considered nonaccrual if the Company does not expect to collect the contractual cash flows owed under the loan agreement. Information about modifications of loans to borrowers experiencing financial difficulty is included in note 4 of Notes to Financial Statements.

The Company utilizes a loan grading system to differentiate risk amongst its commercial and industrial loans and commercial real estate loans. Loans with a lower expectation of default are assigned one of ten possible "pass" loan grades while specific loans determined to have an elevated level of credit risk are classified as "criticized." A criticized loan may be classified as "nonaccrual" if the Company no longer expects to collect all amounts according to the contractual terms of the loan agreement or the loan is delinquent 90 days or more.

Line of business personnel in different geographic locations with support from and review by the Company's credit risk personnel review and reassign loan grades based on their detailed knowledge of individual borrowers and their judgment of the impact on such borrowers resulting from changing conditions in their respective regions. The Company's policy is that, at least annually, updated financial information is obtained from commercial borrowers associated with pass grade loans and additional analysis performed. On a quarterly basis, the Company's centralized credit risk department reviews all criticized commercial and industrial loans and commercial real estate loans greater than \$5 million to determine the appropriateness of the assigned loan grade, including whether the loan should be reported as accruing or nonaccruing. For criticized nonaccrual loans, additional meetings are held with loan officers and their managers, workout specialists and senior management to discuss each of the relationships. In analyzing criticized loans, borrower-specific information is reviewed, including operating results, future cash flows, recent developments and the borrower's outlook, and other pertinent data. The timing and extent of potential losses, considering collateral valuation and other factors, and the Company's potential courses of action are contemplated.

Targeted loan reviews may be periodically performed over segments of loan portfolios that are experiencing heightened credit risk due to current or anticipated economic conditions. The intention of such reviews is to identify trends across such portfolios and inform portfolio risk limits and loss mitigation strategies. The business climate in 2023 has continued to be subjected to inflationary pressures, rising interest rates and liquidity concerns. These conditions have impacted many borrowers, particularly those with investor-owned commercial real estate loans in the hotel, office, retail, multifamily and healthcare sectors, including construction-related financing. In 2023, the Company completed targeted loan reviews covering the majority of its investor-owned commercial real estate portfolio, inclusive of construction loans, with a focus on criticized loans and loans with maturities in the next twelve months. The primary source of repayment of these loans is typically tenant lease payments to the investor/borrower. Vacancies, which have been influenced by certain demographic changes, and higher interest rates have contributed to lower current and anticipated future debt service coverage ratios, which has and could continue to influence the ability of borrowers to make existing loan payments. Lower debt service coverage ratios and reduced commercial real estate values also impact the ability of borrowers to refinance their obligations at loan maturity. As a result, criticized investor-owned commercial real estate loans have increased to \$8.8 billion or 27% of such loans at December 31, 2023 from \$7.9 billion or 22% of such loans at December 31, 2022. Criticized investor-owned commercial real estate loans were \$7.0 billion or 25% of such loans at December 31, 2021. Investor-owned commercial real estate loans comprised 70% of total criticized loans at December 31, 2023. The weighted-average LTV ratios for investor-owned commercial real estate loans at the end of

2023 was approximately 56%. Criticized loans secured by investor-owned commercial real estate had a weighted-average LTV ratio of approximately 61% at December 31, 2023. In conjunction with the activities described herein, the Company has reduced its relative concentration of investor-owned commercial real estate loans in 2023.

Criticized commercial and industrial loans and commercial real estate loans acquired from People's United totaled \$2.0 billion at December 31, 2023, compared with \$2.5 billion at December 31, 2022. The accompanying Tables 17 and 18 summarize the outstanding balances, and associated criticized balances, of commercial and industrial loans and leases by industry and commercial real estate loans by property type, respectively, at December 31, 2023 and 2022.

Table 17

CRITICIZED COMMERCIAL AND INDUSTRIAL LOANS
(Includes Owner-Occupied Loans Secured by Real Estate)

(Dollars in millions)	December 31, 2023				December 31, 2022			
	Outstandin g	Criticized Accrual	Criticized Nonaccrua l	Total Criticized	Outstandin g	Criticized Accrual	Criticized Nonaccrua l	Total Criticized
Commercial and industrial excluding owner-occupied real estate by industry:								
Financial and insurance	\$ 10,679	\$ 346	\$ 3	\$ 349	\$ 7,428	\$ 139	\$ 1	\$ 140
Services	6,715	295	100	395	6,494	333	35	368
Motor vehicle and recreational finance dealers	6,242	164	51	215	4,797	7	—	7
Manufacturing	5,981	549	65	614	5,524	299	72	371
Wholesale	3,803	180	45	225	4,140	183	8	191
Transportation, communications, utilities	3,342	195	71	266	3,078	217	73	290
Retail	2,727	102	35	137	2,525	175	34	209
Construction	2,092	173	62	235	2,324	248	46	294
Health services	1,950	297	28	325	1,972	171	39	210
Real estate investors	1,684	189	4	193	1,882	35	3	38
Other	1,889	123	50	173	1,686	75	36	111
Total commercial and industrial excluding owner-occupied real estate	<u>\$ 47,104</u>	<u>\$ 2,613</u>	<u>\$ 514</u>	<u>\$ 3,127</u>	<u>\$ 41,850</u>	<u>\$ 1,882</u>	<u>\$ 347</u>	<u>\$ 2,229</u>
Owner-occupied real estate by industry:								
Services	\$ 2,162	\$ 154	\$ 51	\$ 205	\$ 2,126	\$ 168	\$ 69	\$ 237
Motor vehicle and recreational finance dealers	1,867	10	7	17	1,794	—	2	2
Retail	1,541	107	13	120	1,619	66	11	77
Wholesale	940	28	2	30	976	19	2	21
Manufacturing	842	64	24	88	809	52	23	75
Real estate investors	818	26	12	38	691	50	23	73
Health services	656	55	26	81	955	30	6	36
Other	1,080	32	21	53	1,100	49	21	70
Total owner-occupied real estate	<u>9,906</u>	<u>476</u>	<u>156</u>	<u>632</u>	<u>10,070</u>	<u>434</u>	<u>157</u>	<u>591</u>
Total	<u>\$ 57,010</u>	<u>\$ 3,089</u>	<u>\$ 670</u>	<u>\$ 3,759</u>	<u>\$ 51,920</u>	<u>\$ 2,316</u>	<u>\$ 504</u>	<u>\$ 2,820</u>

Table 18

CRITICIZED COMMERCIAL REAL ESTATE LOANS

(Dollars in millions)	December 31, 2023				December 31, 2022			
	Outstandin g	Criticized Accrual	Criticized Nonaccrua l	Total Criticized	Outstandin g	Criticized Accrual	Criticized Nonaccrua l	Total Criticized
Permanent finance by property type:								
Apartments/Multifamily	\$ 6,165	\$ 1,184	\$ 115	\$ 1,299	\$ 5,888	\$ 684	\$ 78	\$ 762
Retail/Service	5,912	1,075	227	1,302	6,296	971	182	1,153
Office	4,727	879	185	1,064	5,186	863	208	1,071
Health services	3,615	1,364	117	1,481	3,667	1,052	222	1,274
Hotel	2,510	496	210	706	2,810	676	512	1,188
Industrial/Warehouse	2,034	224	13	237	2,238	98	12	110
Other	314	28	2	30	594	40	26	66
Total permanent	25,277	5,250	869	6,119	26,679	4,384	1,240	5,624
Construction/Development	7,726	2,527	174	2,701	8,617	2,169	126	2,295
Total	<u>\$ 33,003</u>	<u>\$ 7,777</u>	<u>\$ 1,043</u>	<u>\$ 8,820</u>	<u>\$ 35,296</u>	<u>\$ 6,553</u>	<u>\$ 1,366</u>	<u>\$ 7,919</u>

Total criticized commercial and industrial and commercial real estate loans were \$12.6 billion at the end of 2023, as compared with \$10.7 billion at December 31, 2022. Criticized loans represented 14.0% of the total commercial and industrial and commercial real estate loans at December 31, 2023, up from 12.3% a year earlier, reflective of increases of \$939 million in commercial and industrial loans, \$495 million in permanent finance commercial real estate loans and \$406 million in construction loans. At December 31, 2023, permanent finance commercial real estate loans comprised 49% of total criticized loans whereas commercial and industrial loans and construction loans represented 30% and 21% of those criticized loans, respectively. Criticized commercial real estate loans secured by multifamily, retail and healthcare properties as well as construction loans mainly contributed to the increase in criticized commercial real estate loans from end of year 2022 to December 31, 2023. Borrowers in the financial and insurance, manufacturing and motor vehicle and recreational finance dealer industries were the largest contributors to the \$939 million increase in criticized commercial and industrial loans from December 31, 2022 to 2023's year end. At December 31, 2023, approximately 96% of criticized accrual loans and 53% of criticized nonaccrual loans were considered current with respect to their payment status.

The Company's loss identification and estimation techniques with respect to loans secured by residential real estate make reference to loan performance and house price data in specific areas of the country where collateral securing the Company's residential real estate loans is located. For residential real estate-related loans, including home equity loans and lines of credit, the excess of the loan balance over the net realizable value of the property collateralizing the loan is charged-off when the loan becomes 150 days delinquent. That charge-off is based on recent indications of value from external parties that are generally obtained shortly after a loan becomes nonaccrual. Loans to consumers that file for bankruptcy are generally charged-off to estimated net collateral value shortly after the Company is notified of such filings. Limited documentation first lien mortgage loans represent loans secured by residential real estate that at origination typically included some form of limited borrower documentation requirements as compared with more traditional loans. The Company no longer originates limited documentation loans. At December 31, 2023, approximately 50% of the Company's home equity portfolio consisted of first lien loans and lines of credit and the remaining 50% were junior liens. With respect to junior lien loans, to the extent known by the Company, if a senior lien loan would be on nonaccrual status because of payment delinquency, even if such senior lien loan was not owned by the Company, the junior lien loan or line that is owned by the Company is placed on nonaccrual status. In monitoring the credit quality of its home equity portfolio for purposes of determining the allowance for credit losses, the Company reviews delinquency and nonaccrual information and considers recent charge-off experience. When evaluating individual home equity loans and lines of credit for charge-off and for purposes of determining the allowance for credit losses, the Company

considers the required repayment of any first lien positions related to collateral property. Home equity line of credit terms vary but such lines are generally originated with an open draw period of ten years followed by an amortization period of up to twenty years. At December 31, 2023, approximately 86% of all outstanding balances of home equity lines of credit related to lines that were still in the draw period, the weighted-average remaining draw periods were approximately five years, and approximately 16% were making contractually allowed payments that do not include any repayment of principal. Information about the location of nonaccrual loans secured by residential real estate at December 31, 2023 is presented in Table 19.

Table 19

NONACCRUAL LOANS SECURED BY RESIDENTIAL REAL ESTATE

(Dollars in millions)	December 31, 2023		
	Outstanding Balances	Nonaccrual Balances	Percent of Outstanding Balances
Residential mortgage loans:			
New York	\$ 6,695	\$ 91	1.36%
Mid-Atlantic (a)	6,659	65	.97
New England (b)	6,033	43	.71
Other	2,966	16	.55
Total	<u>\$ 22,353</u>	<u>\$ 215</u>	<u>.96%</u>
Limited documentation first lien mortgage loans:			
New York	\$ 413	\$ 23	5.65%
Mid-Atlantic (a)	374	22	5.74
New England (b)	86	8	9.12
Other	38	2	6.31
Total	<u>\$ 911</u>	<u>\$ 55</u>	<u>6.04%</u>
First lien home equity loans and lines of credit:			
New York	\$ 849	\$ 16	1.85%
Mid-Atlantic (a)	995	21	2.13
New England (b)	473	5	1.07
Other	15	—	1.22
Total	<u>\$ 2,332</u>	<u>\$ 42</u>	<u>1.81%</u>
Junior lien home equity loans and lines of credit:			
New York	\$ 773	\$ 16	2.08%
Mid-Atlantic (a)	911	16	1.74
New England (b)	609	7	1.11
Other	24	—	.39
Total	<u>\$ 2,317</u>	<u>\$ 39</u>	<u>1.68%</u>

(a) Includes Delaware, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia and the District of Columbia.

(b) Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

Factors that influence the Company's credit loss experience include overall economic conditions affecting businesses and consumers, generally, but also residential and commercial real estate valuations, in particular, given the size of the Company's real estate loan portfolios. Commercial real estate valuations can be highly subjective, as they are based upon many assumptions. Such valuations can be significantly affected over relatively short periods of time by changes in business climate, economic conditions, interest rates and, in many cases, the results of operations of businesses and other occupants of the real property. Similarly residential real estate valuations can be impacted by housing trends, the availability of financing at reasonable interest rates and general economic conditions affecting consumers.

A comparative summary of consumer loans in nonaccrual status by product is presented in Table 20.

Table 20

NONACCRUAL CONSUMER LOANS

(Dollars in millions)	2023	December 31, 2022	2021
Home equity lines and loans	\$ 81	\$ 85	\$ 70
Recreational finance	36	45	28
Automobile	14	40	34
Other	52	49	45
Total	<u>\$ 183</u>	<u>\$ 219</u>	<u>\$ 177</u>

A summary of net charge-offs by loan type and as a percentage of such average loans is presented in Table 21.

Table 21

NET CHARGE-OFF (RECOVERY) INFORMATION

(Dollars in millions)	2023 Net Charge- Offs (Recoveries)	Percentage of Average Loans	2022 Net Charge- Offs (Recoveries)	Percentage of Average Loans	2021 Net Charge- Offs (Recoveries)	Percentage of Average Loans
Commercial and industrial	\$ 80	.15 %	\$ 59	.13 %	\$ 76	.24 %
Real estate:						
Commercial	231	.88	47	.18	71	.35
Residential builder and developer	2	.21	(3)	-.21	(2)	-.14
Other commercial construction	8	.11	(7)	-.09	7	.08
Residential	3	.01	3	.01	3	.02
Residential - limited documentation	—	.01	(1)	-.05	(1)	-.06
Consumer:						
Home equity lines and loans	—	.01	(1)	-.02	(3)	-.07
Recreational finance	51	.55	21	.25	13	.17
Automobile	7	.18	1	.02	(2)	-.05
Other	59	2.82	41	2.23	30	2.03
Total	<u>\$ 441</u>	<u>.33 %</u>	<u>\$ 160</u>	<u>.13 %</u>	<u>\$ 192</u>	<u>.20 %</u>

The Company monitors its concentration of commercial real estate lending as a percentage of its Tier 1 capital plus its allowable allowance for credit losses, consistent with a metric utilized to differentiate such concentrations amongst regulated financial institutions. This metric, as prescribed in supervisory guidance, excludes loans secured by commercial real estate considered to be owner-occupied, but includes certain other loans, such as loans to real estate investment trusts, that are classified as commercial and industrial loans. The Company's commercial real estate loan concentration approximated 183% of Tier 1 capital plus its allowable allowance for credit losses at December 31, 2023 as compared with 208% at December 31, 2022 and 212% at December 31, 2021. The Company had no concentrations of credit extended to any specific industry that exceeded 10% of total loans at December 31, 2023.

Allowance for Credit Losses

Management determines the allowance for credit losses under accounting guidance that requires estimating the amount of current expected credit losses over the remaining contractual term of the loan and lease portfolio. A description of the methodologies used by the Company to estimate its allowance for credit losses can be found in note 5 of Notes to Financial Statements.

In establishing the allowance for credit losses, the Company estimates losses attributable to specific troubled credits identified through both normal and targeted credit review processes and also estimates losses for other loans and leases with similar risk characteristics on a collective basis. For purposes of determining the level of the allowance for credit losses, the Company evaluates its loan and lease portfolio by type. At the time of the Company's analysis regarding the determination of the allowance for credit losses as of December 31, 2023, concerns existed about inflation levels; potential liquidity shortages and tightening credit in the financial services markets; a slowing economy and possible recession in 2024; the volatile nature of global markets and international economic conditions that could impact the U.S. economy; Federal Reserve positioning of monetary policy; downward pressures on residential and commercial real estate values, especially in the office, retail and healthcare sectors; higher interest rates and wage pressures impacting commercial borrowers; the extent to which borrowers, in particular commercial real estate borrowers, may be negatively affected by general economic conditions; and continued stagnant population and economic growth in the upstate New York and Pennsylvania regions (approximately 37% of the Company's loans and leases are to customers in New York State and Pennsylvania) that historically lag other regions of the country.

The Company generally estimates current expected credit losses on loans with similar risk characteristics on a collective basis. To estimate expected losses, the Company utilizes statistically developed models to project principal balances over the remaining contractual lives of the loan portfolios and determine estimated credit losses through a reasonable and supportable forecast period. The Company's approach for estimating current expected credit losses for loans and leases at December 31, 2023, 2022 and 2021 included utilizing macroeconomic assumptions to project losses over a two-year reasonable and supportable forecast period. Subsequent to the forecast period, the Company reverted to longer-term historical loss experience, over a period of one year, to estimate expected credit losses over the remaining contractual life. Forward-looking estimates of certain macroeconomic variables are determined by the M&T Scenario Review Committee, which is comprised of senior management business leaders and economists. The assumptions utilized as of December 31, 2023, 2022 and 2021 are presented in Table 22 and were based on information available at or near the time the Company was preparing its estimate of expected credit losses as of those dates.

Table 22

ALLOWANCE FOR CREDIT LOSSES MACROECONOMIC ASSUMPTIONS

	December 31, 2023			December 31, 2022			December 31, 2021		
	Year 1	Year 2	Cumulative	Year 1	Year 2	Cumulative	Year 1	Year 2	Cumulative
National unemployment rate	4.4%	4.7%		4.0%	4.1%		4.6%	3.7%	
Real GDP growth rate	.9	1.9	2.8%	1.0	2.5	3.5%	3.1	2.7	5.9%
Commercial real estate price index growth/decline rate	-9.1	4.8	-4.5	-1.3	3.3	1.9	5.3	5.5	11.1
Home price index growth/decline rate	-3.2	-.1	-3.3	-3.2	-3.1	-6.2	4.7	1.1	5.9

In establishing the allowance for credit losses, the Company also considers the impact of portfolio concentrations, imprecision in economic forecasts, geopolitical conditions and other risk factors that influence its loss estimation process. With respect to economic forecasts, the Company assessed the likelihood of alternative economic scenarios during the two-year reasonable and supportable time period. Generally, an increase in unemployment rate or a decrease in any of the rate of change in GDP, commercial real estate prices or home prices could have an adverse impact on expected credit losses and may result in an increase in the allowance for credit losses. Forward-looking economic forecasts are subject to inherent imprecision and future events may differ materially from forecasted events. In consideration of such uncertainty, the alternative economic scenarios shown in Table 23 were considered to estimate the possible impact on modeled credit losses.

Table 23

ALLOWANCE FOR CREDIT LOSSES SENSITIVITIES

	Year 1	December 31, 2023 Year 2	Cumulative
Potential downside economic scenario:			
National unemployment rate	6.5 %	7.4 %	
Real GDP growth rate	-2.3	1.5	- .8 %
Commercial real estate price index decline rate	-20.0	-2.7	-22.1
Home price index growth/decline rate	-10.0	.1	-10.0
Potential upside economic scenario:			
National unemployment rate	3.2	3.2	
Real GDP growth rate	3.5	2.3	5.9
Commercial real estate price index growth/decline rate	-4.1	8.5	4.0
Home price index growth rate	1.1	1.6	2.7
			Impact to Modeled Credit Losses Increase (Decrease)
(Dollars in millions)			
Potential downside economic scenario		\$	369
Potential upside economic scenario			(164)

These examples are only a few of the numerous possible economic scenarios that could be utilized in assessing the sensitivity of expected credit losses. The estimated impacts on credit losses in such scenarios pertain only to modeled credit losses and do not include consideration of other factors the Company may evaluate when determining its allowance for credit losses. As a result, it is possible that the Company may, at another point in time, reach different conclusions regarding credit loss estimates. The Company's process for determining the allowance for credit losses undergoes quarterly and periodic evaluations by independent risk management personnel, which among many other considerations, evaluate the reasonableness of management's methodology and significant assumptions. Further information about the Company's methodology to estimate expected credit losses is included in note 5 of Notes to Financial Statements.

A comparative allocation of the allowance for credit losses for each of the past three year-ends is presented in Table 24. Amounts were allocated to specific loan categories based on information available to management at the time of each year-end assessment and using the methodologies described herein. Variations in the allocation of the allowance by loan category as a percentage of those loans reflect changes in management's estimate of credit losses in light of economic developments. Furthermore, the Company's allowance is general in nature and is available to absorb losses from any loan or lease category. Additional information about the allowance for credit losses is included in note 5 of Notes to Financial Statements.

Table 24

ALLOCATION OF THE ALLOWANCE FOR CREDIT LOSSES TO LOAN CATEGORIES

(Dollars in millions)	2023	December 31, 2022	2021
Commercial and industrial	\$ 620	\$ 568	\$ 335
Commercial real estate	764	611	506
Residential real estate	116	115	72
Consumer	629	631	556
Total	<u>\$ 2,129</u>	<u>\$ 1,925</u>	<u>\$ 1,469</u>
As a percentage of loans and leases, net:			
Commercial and industrial	1.09%	1.09%	1.10%
Commercial real estate	2.31	1.73	1.79
Residential real estate	.50	.48	.45
Consumer	3.03	3.07	3.10
Total	1.59	1.46	1.58

Management has assessed that the allowance for credit losses at December 31, 2023 appropriately reflected expected credit losses inherent in the portfolio as of that date. Using the same methodology as described herein, the Company added \$341 million to the allowance for credit losses related to the \$35.8 billion of loans and leases obtained in the acquisition of People's United on April 1, 2022. The combined Company allowance for credit losses at April 1, 2022 as a percentage of loans and leases outstanding was 1.42%. The increase in the allowance for credit losses as a percentage of loan and leases at December 31, 2023 as compared with December 31, 2022 reflects a higher amount of credit losses expected on the Company's outstanding commercial real estate loans. Included in the allocation of the allowance for credit losses were reserves for such loans secured by office properties of 4.37% at December 31, 2023. The level of the allowance reflects management's evaluation of the loan and lease portfolio using the methodology and considering the factors as described herein. Should the various economic forecasts and credit factors considered by management in establishing the allowance for credit losses change and should management's assessment of losses in the loan portfolio also change, the level of the allowance as a percentage of loans could increase or decrease in future periods. The reported level of the allowance reflects management's evaluation of the loan and lease portfolio as of each respective date.

The ratio of the allowance for credit losses to total nonaccrual loans at the end of 2023, 2022 and 2021 was 98%, 79% and 71%, respectively. Given the Company's general position as a secured lender and its practice of charging off loan balances when collection is deemed doubtful, that ratio and changes in the ratio are generally not an indicative measure of the adequacy of the Company's allowance for credit losses, nor does management rely upon that ratio in assessing the adequacy of the Company's allowance for credit losses.

Other Income

The components of other income are presented in Table 25.

Table 25

OTHER INCOME

(Dollars in millions)	Year Ended December 31,			Percent Change from	
	2023	2022	2021	2022 to 2023	2021 to 2022
Mortgage banking revenues	\$ 409	\$ 357	\$ 571	15 %	-38 %
Service charges on deposit accounts	475	447	402	6	11
Trust income	680	741	645	-8	15
Brokerage services income	102	88	63	17	40
Trading account and other non-hedging derivative gains	49	27	24	84	10
Gain (loss) on bank investment securities	4	(6)	(21)	—	—
Other revenues from operations	809	703	483	15	46
Total other income	<u>\$ 2,528</u>	<u>\$ 2,357</u>	<u>\$ 2,167</u>	7 %	9 %

Mortgage banking revenues

Mortgage banking revenues are comprised of both residential and commercial mortgage banking activities, which consist of realized gains and losses from sales of real estate loans and loan servicing rights, unrealized gains and losses on real estate loans held for sale and related commitments, real estate loan servicing fees, and other real estate loan related fees and income. The Company's involvement in commercial mortgage banking activities includes the origination, sales and servicing of loans under the multifamily loan programs of Fannie Mae, Freddie Mac and the U.S. Department of Housing and Urban Development.

Table 26

RESIDENTIAL MORTGAGE BANKING ACTIVITIES

(Dollars in millions)	Year Ended December 31,		
	2023	2022	2021
Residential mortgage banking revenues			
Gains (losses) on loans originated for sale	\$ 25	\$ (2)	\$ 164
Loan servicing fees	132	83	89
Loan sub-servicing and other fees	125	154	153
Total loan servicing revenues	257	237	242
Total residential mortgage banking revenues	\$ 282	\$ 235	\$ 406
New commitments to originate loans for sale	\$ 1,255	\$ 314	\$ 3,853

(Dollars in millions)	December 31,	
	2023	2022
Balances at period end		
Loans held for sale	\$ 190	\$ 32
Commitments to originate loans for sale	163	31
Commitments to sell loans	295	53
Capitalized mortgage loan servicing assets (a)	456	194
Loans serviced for others	40,021	22,365
Loans sub-serviced for others (b)	115,321	96,027
Total loans serviced for others	\$ 155,342	\$ 118,392

(a) Additional information about the Company's capitalized residential mortgage loan servicing assets, including information about the calculation of estimated fair value, is presented in note 7 of Notes to Financial Statements.

(b) The contractual servicing rights associated with residential mortgage loans sub-serviced by the Company were predominantly held by affiliates of BLG. Information about the Company's relationship with BLG and its affiliates is included in note 25 of Notes to Financial Statements.

- Throughout late 2021 and all of 2022, the Company originated the majority of its residential real estate loans for retention in its loan portfolio rather than for sale. In the first quarter of 2023, the Company returned to originating for sale the majority of its newly originated residential mortgage loans. Gains associated with residential mortgage loans originated for sale increased \$27 million in 2023 as compared with 2022 and conversely declined \$166 million in 2022 as compared with 2021.
- The increase in residential mortgage loan servicing fees in 2023 as compared with 2022 and 2021 primarily reflects a \$350 million bulk purchase of residential mortgage loan servicing rights associated with \$19.5 billion of residential real estate loans on March 31, 2023. The decline in residential mortgage loan sub-servicing and other fees in 2023 as compared with 2022 reflects lower fees on reduced loan modification activity.
- The higher balances of capitalized residential mortgage servicing assets and outstanding balances of residential mortgage loans serviced for others at December 31, 2023 as compared with December 31, 2022 reflects the bulk purchase of residential mortgage loan servicing rights in the first quarter of 2023.

Table 27

COMMERCIAL MORTGAGE BANKING ACTIVITIES

(Dollars in millions)	Year Ended December 31,		
	2023	2022	2021
Commercial mortgage banking revenues			
Gains on loans originated for sale	\$ 58	\$ 51	\$ 87
Loan servicing fees and other	69	71	78
Total commercial mortgage banking revenues	<u>\$ 127</u>	<u>\$ 122</u>	<u>\$ 165</u>
Loans originated for sale to other investors	\$ 3,053	\$ 3,129	\$ 3,963

(Dollars in millions)	December 31,	
	2023	2022
Balances at period end		
Loans held for sale	\$ 189	\$ 131
Commitments to originate loans for sale	916	349
Commitments to sell loans	1,105	480
Capitalized mortgage loan servicing assets (a)	123	126
Loans serviced for others (b)	24,157	22,166
Loans sub-serviced for others	3,873	3,841
Total loans serviced for others	<u>\$ 28,030</u>	<u>\$ 26,007</u>

(a) Additional information about the Company's capitalized commercial mortgage loan servicing assets, including information about the calculation of estimated fair value, is presented in note 7 of Notes to Financial Statements.

(b) Includes \$3.9 billion of loan balances at each of December 31, 2023 and 2022 for which investors had recourse to the Company if such balances are ultimately uncollectable.

- As compared with 2021, the decline in gains on loans originated for sale in 2022 and 2023 reflects lower volumes of commercial real estate loans originated for sale, which were influenced by a higher interest rate environment.
- The higher servicing revenues in 2021 as compared with 2022 and 2023 were reflective of fees received from customers who repaid loans prior to maturity.

Service charges on deposit accounts

The increase in service charges on deposit accounts in 2023 as compared with 2022 reflects one additional quarter of revenues associated with the acquisition of People's United, partially offset by a full year impact in 2023 of the Company's elimination of certain non-sufficient fund fees and overdraft protection transfer charges from linked deposit accounts beginning in the second quarter of 2022. The Company also waived certain fees in the third and fourth quarters of 2022 following the conversion to the Company's deposit servicing system of People's United acquired customer deposit accounts in early September 2022. The impact of the temporary waivers associated with the People's United acquired customers was not material in 2022. Service charges on deposit accounts increased \$45 million in 2022 as compared with 2021 reflecting fees associated with the acquisition of People's United of \$70 million and increased consumer activity, reduced by lower overdraft-related fees of approximately \$40 million that reflected the Company's elimination of certain non-sufficient fund fees and overdraft protection charges from linked deposit accounts.

Trust Income

Trust income includes fees from two significant businesses managed within the Company's Institutional Services and Wealth Management segment. The Institutional Services business provides a variety of trustee, agency, investment management and administrative services for corporations and institutions, investment bankers, corporate tax, finance and legal executives, and other institutional clients who: (i) use capital markets financing structures; (ii) use independent trustees to hold assets (including retirement plan assets prior to the sale of CIT); and (iii) need investment and cash management services. The Wealth Management business offers personal trust, planning, fiduciary, asset management, family office and other services designed to help high net worth individuals and families grow, preserve and transfer wealth.

Table 28

TRUST INCOME AND ASSETS UNDER MANAGEMENT

(Dollars in millions)	Year Ended December 31,		
	2023	2022	2021
Trust income			
Institutional Services	\$ 369	\$ 442	\$ 375
Wealth Management	309	299	270
Commercial	2	—	—
Total trust income	<u>\$ 680</u>	<u>\$ 741</u>	<u>\$ 645</u>

(Dollars in millions)	December 31,	
	2023	2022
Assets under management at period end		
Trust assets under management (excluding proprietary funds)	\$ 63,963	\$ 152,228
Proprietary mutual funds	14,772	12,992
Total assets under management	<u>\$ 78,735</u>	<u>\$ 165,220</u>

- In April 2023, M&T completed the divestiture of its CIT business to a private equity firm. Revenues associated with that business and included in Institutional Services trust income totaled \$60 million, \$165 million and \$151 million during 2023, 2022 and 2021, respectively. After considering expenses, the results of operations of that business were not material to M&T's net income in any of those years.
- Institutional Services trust income not related to the CIT business increased \$32 million in 2023 as compared with 2022 reflecting new business growth and higher money market fees. The higher non-CIT related trust income in 2022 as compared with 2021 was largely attributable to reduced fee waivers of \$31 million resulting from higher rates on money market fund accounts and incremental fees from sales.
- The increase in Wealth Management revenues in 2023 as compared with 2022 reflected one additional quarter of operations acquired from People's United. The increase in Wealth Management revenues in 2022 as compared with 2021 reflected \$31 million associated with acquired operations of People's United, reduced money market fee waivers of \$6 million and sales activity, partially offset by adverse market conditions in the equity markets. Also contributing to a decline were investment management activities, including fees earned from retail customer investment accounts that reflected a full-year impact of a change in June 2021 of product delivery to retail brokerage and certain trust customers related to the LPL Financial relationship resulting in revenues previously recognized in trust income to be recorded as brokerage services income.

- The lower assets under management at December 31, 2023 as compared with December 31, 2022 reflect the sale of the CIT business in the second quarter of 2023.

Brokerage services income

Brokerage services income, which includes revenues from the sale of mutual funds and annuities, securities brokerage fees and, since June 2021, sales of select investment products of LPL Financial, an independent financial services broker, increased \$14 million in 2023 as compared with 2022 reflecting one additional quarter of operations acquired from People's United. The increase in brokerage services income in 2022 as compared with 2021 reflects the acquisition of People's United and the full-year impact of a change in June 2021 in product delivery to retail brokerage and certain trust customers related to the LPL Financial relationship.

Trading account and other non-hedging derivative gains

The Company enters into interest rate swap agreements and foreign exchange contracts with customers who need such services and concomitantly enters into offsetting trading positions with third parties to minimize the risks involved with these types of transactions. Information about the notional amount of interest rate, foreign exchange and other non-hedging contracts entered into by the Company is included in note 19 of Notes to Financial Statements and herein under the heading "Market Risk and Interest Rate Sensitivity." The increase in income from trading account and other non-hedging derivative gains in 2023 as compared with 2022 reflects favorable changes in market conditions impacting the value of assets held in connection with deferred compensation and other non-qualified benefit plans as well as higher revenues from interest rate swap agreements and foreign exchange transactions with commercial customers. The modest increase in such gains in 2022 as compared with 2021 reflects higher revenues from interest rate swap agreements and foreign exchange transactions with commercial customers, partially offset by declines in the value of assets held in connection with deferred compensation and other non-qualified benefit plans.

Gain (loss) on investment securities

The Company recognized a net gain on investment securities of \$4 million in 2023, compared with net losses of \$6 million and \$21 million in 2022 and 2021, respectively. The losses in 2022 and 2021 reflect unrealized losses on investments in Fannie Mae and Freddie Mac preferred stock and other equity securities.

Other revenues from operations

Included in other revenues from operations were a \$225 million gain on the sale of the CIT business in the second quarter of 2023 and a \$136 million gain on sale of MTIA in the fourth quarter of 2022. The components of other revenues from operations are presented in Table 29.

Table 29

OTHER REVENUES FROM OPERATIONS

(Dollars in millions)	Year Ended December 31,		
	2023	2022	2021
Letter of credit and other credit-related fees	\$ 187	\$ 165	\$ 128
Merchant discount and credit card fees	172	169	140
Bank owned life insurance revenue (a)	63	44	47
Equipment operating lease income	56	43	27
BLG income (b)	20	30	30
Insurance income	18	48	47
Gain on divestiture of CIT	225	—	—
Gain on divestiture of MTIA	—	136	—
Other	68	68	64
Total other revenues from operations	<u>\$ 809</u>	<u>\$ 703</u>	<u>\$ 483</u>

(a) Tax-exempt income earned from bank owned life insurance includes increases in the cash surrender value of life insurance policies and benefits received. The Company owns both general account and separate account life insurance policies. To the extent market conditions change such that the market value of assets in a separate account bank owned life insurance policy becomes less than the previously recorded cash surrender value, an adjustment is recorded as a reduction to other revenues from operations.

(b) During 2017, the operating losses of BLG resulted in M&T reducing the carrying value of its investment in BLG to zero. Subsequently, M&T has received cash distributions when declared by BLG that result in the recognition of income by M&T. M&T expects cash distributions from BLG in the future, but the timing and amount of those distributions are not within M&T's control. BLG is entitled to receive distributions from its affiliates that provide asset management and other services that are available for distribution to BLG's owners, including M&T. Information about the Company's relationship with BLG and its affiliates is included in note 25 of Notes to Financial Statements.

- Increases in letter of credit and other credit-related fees, merchant discount and credit card fees and equipment operating lease income in 2023 and 2022 as compared with 2021 largely reflect additional revenues from operations acquired from People's United, including one additional quarter of such revenues in 2023 as compared with 2022.
- Increases in tax-exempt income earned from bank owned life insurance in 2023 was primarily due to the increase in interest rates during 2022 which led to reductions in that year of the market values of assets in some separate account bank owned life insurance policies below previously recorded cash surrender value. Those reductions in recognized cash surrender value were not material, but were, nevertheless, recognized as a reduction of revenues in 2022.
- The decline in insurance income in 2023 as compared with 2022 and 2021 reflects the sale of MTIA in the fourth quarter of 2022.

Other Expense

The components of other expense are presented in Table 30.

Table 30

OTHER EXPENSE

(Dollars in millions)	Year Ended December 31,			Percent Change from	
	2023	2022 (a)	2021 (a)	2022 to 2023	2021 to 2022
Salaries and employee benefits	\$ 2,997	\$ 2,787	\$ 2,046	8 %	36 %
Equipment and net occupancy	520	474	327	10	45
Outside data processing and software	437	376	292	16	29
Professional and other services	413	509	379	-19	34
FDIC assessments	315	90	70	249	30
Advertising and marketing	108	90	64	19	41
Amortization of core deposit and other intangible assets	62	56	10	12	447
Other costs of operations	527	668	424	-21	58
Total other expense	<u>\$ 5,379</u>	<u>\$ 5,050</u>	<u>\$ 3,612</u>	7 %	40 %

(a) Includes merger-related expenses considered "nonoperating" in nature totaling \$338 million and \$44 million in 2022 and 2021, respectively. Table 3 provides a summary of merger-related expenses in the reconciliation of annual GAAP amounts to non-GAAP measures. No merger-related expenses were incurred in 2023.

Other expense totaled \$5.38 billion in 2023, compared with \$5.05 billion in 2022 and \$3.61 billion in 2021. Included in those amounts are expenses considered to be "nonoperating" in nature consisting of amortization of core deposit and other intangible assets and merger-related expenses. Exclusive of those nonoperating expenses, noninterest operating expenses aggregated \$5.32 billion in 2023, \$4.66 billion in 2022 and \$3.56 billion in 2021. Changes in operating expenses for the years presented are described as follows:

Salaries and employee benefits

Merger-related salaries and employee benefits expenses were \$102 million and less than \$1 million, respectively, for the years ended December 31, 2022 and 2021. There were no merger-related salaries and employee benefits expenses in 2023.

- The number of full time equivalent employees was 21,980 and 22,509 at December 31, 2023 and 2022, respectively, compared with 17,421 at December 31, 2021. The increase in staffing levels since December 31, 2021 was predominantly the result of the acquisition of People's United.
- Salaries and employee benefits operating expenses increased \$312 million in 2023 as compared with 2022 reflecting the additional quarter of People's United employees, higher salaries from increased average legacy staffing levels, annual merit increases, and higher employee benefits costs, including severance expenses and medical-related benefits expenses. The higher level of operating expenses in 2022 as compared with 2021 reflected higher staffing levels, including the addition of People's United employees, higher salaries resulting from merit increases and a rise in incentive compensation. Stock-based compensation totaled \$118 million in 2023, compared with \$111 million in 2022 and \$85 million in 2021.
- The Company provides pension and other postretirement benefits for its employees, including pension, retirement savings and post-retirement benefit plans. Expenses related to such benefits totaled \$74 million in 2023, \$62 million in 2022 and \$128 million in 2021. The amounts recorded in salaries and employee benefits expense and other costs of operations, respectively, from the preceding sentence were as follows: \$164 million and (\$90 million) in 2023; \$149 million and (\$87 million) in 2022; \$125 million and \$3 million

in 2021. The Company sponsors both defined benefit and defined contribution pension plans. Pension expense for those plans was a net benefit of \$21 million in 2023 and \$23 million in 2022, compared with expense of \$68 million in 2021. Components of pension expense included in other costs of operations reflect the amortization of net unrecognized gains and losses included in accumulated other comprehensive income. Prior to 2022, such net unrecognized gains and losses were amortized over the average remaining service periods of active participants in the plan. If all or substantially all of the plan's participants are inactive, GAAP provides for the average remaining life expectancy of the participants to be used instead of average remaining service periods. Substantially all of the participants in the Company's qualified defined benefit pension plan were inactive and, beginning in 2022, the average remaining life expectancy was utilized to amortize the net unrecognized gains and losses of the Plan. The change increased the amortization period by approximately sixteen years beginning in 2022 and, accordingly, reduced the amount of amortization of unrecognized losses recorded in 2022 net periodic pension expense that otherwise would have been recorded by approximately \$36 million. Information about the Company's pension plans, including significant assumptions utilized in completing actuarial calculations for the plans, is included in note 13 of Notes to Financial Statements. The Company's retirement savings plan is a defined contribution plan in which eligible employees of the Company may defer up to 50% of qualified compensation via contributions to the plan. Including the impact of employees associated with the People's United acquisition, retirement savings plan expense reflecting the Company's employer matching contribution was \$96 million in 2023 and \$84 million in 2022, compared with \$63 million in 2021.

Nonpersonnel operating expenses

Nonpersonnel merger-related expenses aggregated \$236 million in 2022 and \$44 million in 2021. There were no nonpersonnel merger-related expenses in 2023. Excluding such expenses as well as the amortization of core deposit and other intangible assets, nonpersonnel operating expenses were \$2.32 billion in 2023, \$1.97 billion in 2022 and \$1.51 billion in 2021.

- As described herein within Part I Item 1, "Business", on November 16, 2023, the FDIC finalized a rule that imposes a special assessment to recover the costs to the DIF resulting from the FDIC's use in 2023 of the systemic risk exception to the least-cost resolution test under the FDIA in connection with the receiverships of certain failed banks. The total of the special assessments for M&T is estimated at \$197 million and such amount was recorded in the Consolidated Statement of Income in the fourth quarter of 2023. In October 2022, the FDIC finalized a rule that increased the initial base deposit insurance assessment rates by 2 basis points, beginning with the first quarterly assessment period of 2023.
- After considering the increase in FDIC assessments, the remaining \$124 million increase in nonpersonnel operating expenses in 2023 as compared with 2022 reflects one additional quarter of operations associated with the acquisition of People's United, higher amortization of capitalized servicing assets of \$34 million predominately due to the bulk purchase of residential mortgage loan servicing rights in the first quarter of 2023, a \$24 million reduction in the valuation allowance for capitalized servicing assets in 2022, increased outside data processing and software expenses of \$66 million and losses associated with certain retail banking activities. Partially offsetting those unfavorable factors were lower professional and other services expenses of \$24 million, reflecting a decrease in sub-advisory fees as a result of the sale of CIT in the second quarter of 2023, partially offset by higher management

consulting fees, and lower contributions to The M&T Charitable Foundation as compared with 2022.

- Approximately 70% of the increase in nonpersonnel operating expenses in 2022 as compared with 2021 can be attributed to the acquired operations of People's United. Other factors contributing to the year-over-year increase were higher charitable contributions and outside data processing and software expenses, partially offset by lower defined benefit pension-related expenses included in other costs of operations.

Income Taxes

The provision for income taxes was \$878 million in 2023, \$620 million in 2022 and \$596 million in 2021. The effective tax rates were 24.3% in 2023 and 2021, as compared with 23.7% in 2022. The effective tax rate is affected by the level of income earned that is exempt from tax relative to the overall level of pre-tax income, the level of income allocated to the various state and local jurisdictions where the Company operates, because tax rates differ among such jurisdictions, and the impact of any large discrete or infrequently occurring items. The Company's effective tax rate in future periods will also be affected by any change in income tax laws or regulations and interpretations of income tax regulations that differ from the Company's interpretations by any of the various tax authorities that may examine tax returns filed by M&T or any of its subsidiaries. Information about amounts accrued for uncertain tax positions and a reconciliation of income tax expense to the amount computed by applying the statutory federal income tax rate to pre-tax income is provided in note 14 of Notes to Financial Statements.

International Activities

A discussion of the Company's international activities is included in note 18 of Notes to Financial Statements.

Liquidity Risk

As a financial intermediary, the Company is exposed to various risks, including liquidity and market risk. Liquidity refers to the Company's ability to ensure that sufficient cash flow and liquid assets are available to satisfy current and future obligations, including demands for loans and deposit withdrawals, funding operating costs, and other corporate purposes. Liquidity risk arises whenever the cash flows associated with financial instruments included in assets and liabilities differ.

The most significant source of funding for the Company is core deposits, which are generated from a large base of consumer, corporate and institutional customers. That customer base has, over the past several years, become more geographically diverse as a result of expansion of the Company's businesses. Nevertheless, the Company faces competition in offering products and services from a large array of financial market participants, including banks, thrifts, mutual funds, securities dealers and others. Reflective of a decline in core deposits and an increase in liquid earning assets, core deposits financed 77% of the Company's earning assets at December 31, 2023, compared with 85% at December 31, 2022. Core deposits financed 90% of the Company's earning assets at December 31, 2021.

The Company supplements funding provided through core deposits with various short-term and long-term wholesale borrowings, including overnight federal funds purchased, advances from the FHLBs, brokered deposits and longer-term borrowings. M&T Bank has access to additional funding sources through secured borrowings from the FHLB of New York and the FRB of New York. The Company has, in the past, issued subordinated capital notes and junior subordinated debentures associated with trust preferred securities to provide liquidity and enhance regulatory capital ratios. Those borrowings are generally considered Tier 2 capital and are includable in total regulatory capital.

At December 31, 2023 and 2022, long-term borrowings aggregated \$8.2 billion and \$4.0 billion, respectively, and short-term borrowings aggregated \$5.3 billion and \$3.6 billion, respectively. Information about the Company's borrowings is included in note 9 of Notes to Financial Statements.

The Company has also benefited from the placement of brokered deposits. The Company had brokered savings and interest-bearing checking deposit accounts that aggregated \$7.8 billion and \$3.8 billion at December 31, 2023 and 2022, respectively. Brokered time deposits totaled \$6.1 billion and \$4.1 billion at December 31, 2023 and 2022, respectively. Approximately 84% of brokered time deposits at December 31, 2023 have a contractual maturity date in 2024.

Total uninsured deposits were estimated to be \$67.0 billion at December 31, 2023 and \$74.2 billion at December 31, 2022 and included \$10.7 billion and \$11.4 billion, respectively, that were collateralized by the Company. The Company maintains available liquidity sources, as presented in Table 36, which represent approximately 139% of uninsured deposits that are not collateralized at December 31, 2023.

The Company's ability to obtain funding from these sources could be negatively impacted should the Company experience a substantial deterioration in its financial condition or its debt ratings, or should the availability of short-term funding become restricted due to a disruption in the financial markets. The Company attempts to assess such risks by conducting scenario analyses that estimate the liquidity impact resulting from a debt ratings downgrade over various grading levels and other market events. Such impact is estimated by attempting to measure the effect on available unsecured lines of credit, available capacity from secured borrowing sources and securitizable assets. Information about the credit ratings of M&T and M&T Bank is presented in Table 31.

Table 31

DEBT RATINGS

	Moody's	Standard and Poor's	Fitch	Morningstar DBRS
M&T Bank Corporation:				
Senior debt	Baa1	BBB+	A	A (high)
Subordinated debt	Baa1	BBB	A-	A
M&T Bank:				
Short-term deposits	Prime-1	A-2	F1	R-1 (middle)
Long-term deposits	A1	A-	A+	AA (low)
Senior debt	Baa1	A-	A	AA (low)
Subordinated debt	Baa1	BBB+	A-	A (high)

M&T's primary source of funds to pay for operating expenses, shareholder dividends and treasury stock repurchases has historically been the receipt of dividends from its bank subsidiaries, which are subject to various regulatory limitations. Dividends from any bank subsidiary to M&T are limited by the amount of earnings of the subsidiary in the current year and the two preceding years. For purposes of that test, at December 31, 2023 approximately \$1.7 billion was available for payment of dividends to M&T from bank subsidiaries. M&T also may obtain funding through long-term borrowings. Further information about the long-term outstanding borrowings of M&T is provided in note 9 of Notes to Financial Statements. As a BHC, M&T is obligated to serve as a managerial and financial source of strength to its bank subsidiaries as described in Part I, Item 1, "Business". As its ability to access the capital markets may be affected by market disruptions, M&T maintains sufficient cash resources at its parent company to satisfy projected cash outflows for an extended period without reliance on dividends from subsidiaries or external financing. As of December 31, 2023, M&T's parent company liquidity covered projected cash outflows for more than 24 months, including dividends on common and preferred stock, debt service and scheduled debt maturities.

In addition to deposits and borrowings, other sources of liquidity include maturities and repayments of investment securities, loans and other earning assets, as well as cash generated from operations, such as fees collected for services. The Company also has the ability to securitize or sell certain financial assets, including various loan types, to provide other liquidity alternatives. U.S. Treasury and federal agency securities and government issued or guaranteed mortgage-backed securities comprised 89% of the Company's debt securities portfolio at December 31, 2023. The weighted average durations of debt investment securities available for sale and held to maturity at December 31, 2023 were 1.3 years and 5.4 years, respectively. Table 32 provides the contractual maturity schedule and taxable-equivalent yields of debt securities as of December 31, 2023.

Table 32

MATURITY AND TAXABLE-EQUIVALENT YIELD OF DEBT SECURITIES

(Dollars in millions)	One Year or Less	One to Five Years	Five to Ten Years	Over Ten Years	Total
December 31, 2023					
Investment securities available for sale (a):					
U.S. Treasury and federal agencies:					
Carrying value	\$ 4,968	\$ 2,737	\$ —	\$ —	\$ 7,705
Yield	2.33 %	3.01 %	—	—	2.58 %
Mortgage-backed securities (b):					
Government issued or guaranteed:					
Carrying value	\$ 519	\$ 1,042	\$ 454	\$ 555	\$ 2,570
Yield	2.88 %	2.81 %	2.86 %	2.89 %	2.85 %
Other debt securities:					
Carrying value	\$ 2	\$ 119	\$ 44	\$ —	\$ 165
Yield	2.99 %	4.35 %	1.70 %	—	3.58 %
Total investment securities available for sale:					
Carrying value	\$ 5,489	\$ 3,898	\$ 498	\$ 555	\$ 10,440
Yield	2.39 %	3.00 %	2.75 %	2.89 %	2.66 %
Investment securities held to maturity:					
U.S. Treasury and federal agencies:					
Carrying value	\$ —	\$ 1,005	\$ —	\$ —	\$ 1,005
Yield	—	2.54 %	—	—	2.54 %
Obligations of states and political subdivisions:					
Carrying value	\$ 15	\$ 174	\$ 1,351	\$ 961	\$ 2,501
Yield	2.48 %	2.81 %	3.50 %	4.19 %	3.71 %
Mortgage-backed securities (b):					
Government issued or guaranteed:					
Carrying value	\$ 435	\$ 1,815	\$ 4,095	\$ 5,435	\$ 11,780
Yield	3.18 %	3.18 %	3.29 %	3.25 %	3.25 %
Privately issued:					
Carrying value	\$ 3	\$ 12	\$ 15	\$ 12	\$ 42
Yield	8.98 %	8.98 %	8.98 %	8.44 %	8.82 %
Other debt securities:					
Carrying value	\$ —	\$ —	\$ —	\$ 2	\$ 2
Yield	—	—	—	4.97 %	4.97 %
Total investment securities held to maturity:					
Carrying value	\$ 453	\$ 3,006	\$ 5,461	\$ 6,410	\$ 15,330
Yield	3.19 %	2.97 %	3.36 %	3.40 %	3.30 %
Total debt investment securities:					
Carrying value	\$ 5,942	\$ 6,904	\$ 5,959	\$ 6,965	\$ 25,770
Yield	2.45 %	2.98 %	3.31 %	3.36 %	3.04 %

(a) Investment securities available for sale are presented at estimated fair value. Yields on such securities are based on amortized cost.

(b) Maturities are reflected based upon contractual payments due. Actual maturities are expected to be significantly shorter as a result of loan repayments in the underlying mortgage pools.

Table 33 provides the maturity schedule of loans and leases as of December 31, 2023.

Table 33

MATURITY DISTRIBUTION OF LOANS AND LEASES (a)

(Dollars in millions)	Demand	2024	2025 - 2028	2029 - 2038	After 2038
December 31, 2023					
Commercial and industrial	\$ 8,260	\$ 11,822	\$ 31,255	\$ 5,568	\$ 239
Commercial real estate	52	8,640	17,696	5,416	218
Residential real estate	8	918	3,745	8,514	9,804
Consumer	482	1,754	6,492	7,247	4,622
Total	\$ 8,802	\$ 23,134	\$ 59,188	\$ 26,745	\$ 14,883
Floating or adjustable interest rates:					
Commercial and industrial			\$ 21,211	\$ 2,438	\$ 53
Commercial real estate			14,663	4,182	186
Residential real estate			1,173	2,740	3,780
Consumer			935	200	3,322
Fixed or predetermined interest rates:					
Commercial and industrial			10,044	3,130	186
Commercial real estate			3,033	1,234	32
Residential real estate			2,572	5,774	6,024
Consumer			5,557	7,047	1,300
Total			\$ 59,188	\$ 26,745	\$ 14,883

(a) The data reflects contractual paydowns, but excludes nonaccrual loans.

The Company enters into contractual obligations in the normal course of business that require future cash payments. Such obligations include, among others, payments related to deposits, borrowings, leases and other contractual commitments. The contractual amounts and timing of those payments as of December 31, 2023 are summarized in Table 34. Off-balance sheet commitments to customers may impact liquidity, including commitments to extend credit, standby letters of credit, commercial letters of credit, financial guarantees and indemnification contracts, and commitments to sell real estate loans. Because many of these commitments or contracts expire without being funded in whole or in part, the contract amounts are not necessarily indicative of future cash flows. Further discussion of these commitments is provided in note 22 of Notes to Financial Statements. Table 34 summarizes the Company's other commitments as of December 31, 2023 and the timing of the expiration of such commitments. Table 35 provides the maturity of time deposits over \$250,000 as of December 31, 2023.

Table 34

CONTRACTUAL OBLIGATIONS AND OTHER COMMITMENTS

(Dollars in millions)	Less Than One Year	One to Three Years	Three to Five Years	Over Five Years	Total
December 31, 2023					
Payments due for contractual obligations:					
Time deposits	\$ 18,207	\$ 2,306	\$ 245	\$ 1	\$ 20,759
Short-term borrowings	5,316	—	—	—	5,316
Long-term borrowings	527	2,548	2,503	2,623	8,201
Operating leases	162	267	176	208	813
Other	323	173	33	113	642
Total	<u>\$ 24,535</u>	<u>\$ 5,294</u>	<u>\$ 2,957</u>	<u>\$ 2,945</u>	<u>\$ 35,731</u>
Other commitments:					
Commitments to extend credit (a)	\$ 21,702	\$ 13,683	\$ 8,890	\$ 4,820	\$ 49,095
Standby letters of credit (b)	1,486	562	150	91	2,289
Commercial letters of credit	12	41	9	—	62
Financial guarantees and indemnification contracts	78	619	706	2,633	4,036
Commitments to sell real estate loans	1,245	113	42	—	1,400
Total	<u>\$ 24,523</u>	<u>\$ 15,018</u>	<u>\$ 9,797</u>	<u>\$ 7,544</u>	<u>\$ 56,882</u>

(a) Amounts exclude discretionary funding commitments to commercial customers of \$12.3 billion that the Company has the unconditional right to cancel prior to funding.

(b) Certain customers of the Company obtain financing through the issuance of VRDBs, which are generally enhanced by letters of credit provided by M&T Bank. M&T Bank oftentimes acts as remarketing agent for the VRDBs and, at its discretion, may from time-to-time own some of the VRDBs while such instruments are remarketed. Nevertheless, M&T Bank is not contractually obligated to purchase the VRDBs. The total amount of VRDBs outstanding for which M&T Bank acts as remarketing agent was \$461 million at December 31, 2023.

Table 35

MATURITY OF TIME DEPOSITS WITH BALANCES OVER \$250,000

(Dollars in millions)	December 31, 2023
3 months or less	\$ 539
Over 3 through 6 months	952
Over 6 through 12 months	1,127
Over 12 months	266
Total	<u>\$ 2,884</u>

The Company's MLCR Committee, which includes members of executive management, closely monitors the Company's liquidity position on an ongoing basis for compliance with internal policies and regulatory expectations. As a Category IV institution, the Company adheres to enhanced liquidity standards which require the performance of internal liquidity stress testing. The stress testing is designed to ensure the Company has sufficient liquidity in both institution-specific and general market-wide stress scenarios. For each scenario, the Company applies liquidity stress which may include deposit run-off, increased draws on unfunded loan commitments, increased collateral need for margin calls, increased haircuts on investment security-based funding and reductions in unsecured and secured borrowing capacity. Stress scenarios are measured over various time frames ranging from overnight to

twelve months. As required by regulation, the Company maintains a liquidity buffer comprised of cash and highly liquid unencumbered securities to cover a 30-day stress horizon. Liquidity stress events occurring over longer time horizons can be mitigated by the availability of secured funding sources at the FHLB of New York and FRB of New York. Presented in Table 36 is a summary of the Company's available sources of liquidity at December 31, 2023.

Table 36

AVAILABLE LIQUIDITY SOURCES

	December 31, 2023
(Dollars in millions)	
Deposits at the FRB of New York	\$ 27,957
Unused secured borrowing facilities:	
FRB of New York	17,106
FHLB of New York	16,765
Unencumbered investment securities (after estimated haircuts)	16,480
Total	\$ 78,308

Management continuously evaluates the use and mix of its various available funding alternatives, including short-term borrowings, issuances of long-term debt, the placement of brokered deposits and the securitization of certain loan products. Management does not anticipate engaging in any activities, either currently or in the long term, for which adequate funding would not be available and would therefore result in a significant strain on liquidity at either M&T or its subsidiary banks. In accordance with liquidity regulations, the Company maintains a contingency funding plan to facilitate on-going liquidity management in times of liquidity stress. The plan outlines various funding options available during a liquidity stress event and establishes a clear escalation protocol to be followed within the Company's risk management framework. The plan sets forth funding strategies and procedures that management can quickly leverage to assist in decision-making and specifies roles and responsibilities for departments impacted by a potential liquidity stress event.

Market Risk and Interest Rate Sensitivity

Market risk is the risk of loss from adverse changes in the market prices and/or interest rates of the Company's financial instruments. The primary market risk the Company is exposed to is interest rate risk. Interest rate risk arises from the Company's core banking activities of lending and deposit-taking, because assets and liabilities reprice at different times and by different amounts as interest rates change. As a result, net interest income earned by the Company is subject to the effects of changing interest rates. The Company measures interest rate risk by calculating the variability of net interest income in future periods under various interest rate scenarios using projected balances for earning assets, interest-bearing liabilities and derivatives used to hedge interest rate risk. Management's philosophy toward interest rate risk management is to limit the variability of net interest income. The balances of financial instruments used in the projections are based on expected growth from forecasted business opportunities, anticipated prepayments of loans and investment securities, and expected maturities of investment securities, loans and deposits. The Company has entered into interest rate swap agreements to help manage exposure to interest rate risk. At December 31, 2023, the aggregate notional amount of interest rate swap agreements entered into for interest rate risk management purposes that were currently in effect was \$17.0 billion. In addition, the Company has entered into \$10.0 billion of forward-starting interest rate swap agreements predominantly related to cash flow hedges. Information about interest rate swap agreements entered into for interest rate risk management purposes is included herein under the heading "Net Interest Income/Lending, Investing and Funding Activities" and in note 19 of Notes to Financial Statements.

The Company's MLCR Committee monitors the sensitivity of the Company's net interest income to changes in interest rates with the aid of a computer model that forecasts net interest income under different interest rate scenarios. In modeling changing interest rates, the Company considers different yield curve shapes that consider both parallel (that is, simultaneous changes in interest rates at each point on the yield curve) and non-parallel (that is, allowing interest rates at points on the yield curve to vary by different amounts) shifts in the yield curve. In utilizing the model, market-implied forward interest rates over the subsequent twelve months are generally used to determine a base interest rate scenario for the net interest income simulation. That calculated base net interest income is then compared with the income calculated under the varying interest rate scenarios. The model considers the impact of ongoing lending and deposit-gathering activities, as well as interrelationships in the magnitude and timing of the repricing of financial instruments, including the effect of changing interest rates on expected prepayments and maturities. When deemed prudent, management has taken actions to mitigate exposure to interest rate risk through the use of on- or off-balance sheet financial instruments and intends to do so in the future. Possible actions include, but are not limited to, changes in the pricing of loan and deposit products, modifying the composition of earning assets and interest-bearing liabilities, and adding to, modifying or terminating existing interest rate swap agreements or other financial instruments used for interest rate risk management purposes.

Table 37 displays as of December 31, 2023 and 2022 the estimated impact on net interest income in the base scenario described above resulting from parallel changes in interest rates across repricing categories during the first modeling year.

Table 37

SENSITIVITY OF NET INTEREST INCOME TO CHANGES IN INTEREST RATES

<u>Changes in interest rates</u> (Dollars in millions)	Calculated Change in Projected Net Interest Income	
	December 31, 2023	December 31, 2022
+200 basis points	\$ (18)	\$ 225
+100 basis points	20	158
-100 basis points	(46)	(216)
-200 basis points	(83)	(440)

The Company utilized many assumptions to calculate the impact that changes in interest rates may have on net interest income. The more significant of those assumptions included the rate of prepayments of mortgage-related assets, cash flows from derivative and other financial instruments, loan and deposit volumes, mix and pricing, and deposit maturities. In the scenarios presented, the Company also assumed gradual changes in interest rates during a twelve-month period as compared with the base scenario. Changes in the amounts and the reduction in net interest income sensitivity presented since December 31, 2022 reflect changes in portfolio composition (including shifts between noninterest-bearing and interest-bearing deposits and higher levels of borrowings), the level of market-implied forward interest rates and the deployment of cash into fixed rate investment securities. The Company has also entered into additional interest rate swap agreements whereby it receives settlement amounts at a fixed rate and pays at a variable rate. Amidst the rising rate environment since the first quarter of 2022, M&T's cumulative deposit pricing beta, which is the change in deposit pricing in response to a change in market interest rates, approximated 54 percent. Excluding brokered deposits, that cumulative pricing beta approximated 49 percent. The cumulative deposit pricing beta (including and excluding brokered deposits) is assumed to approximate 50 to 55 percent in the interest rate scenarios presented. The assumptions used in interest rate sensitivity modeling are inherently uncertain and, as a result, the Company cannot precisely predict the impact of changes in interest rates on net interest income. Actual results may differ significantly from those presented due to the timing, magnitude and frequency of changes in interest rates and changes in market conditions and interest

rate differentials (spreads) between maturity/repricing categories, as well as any actions, such as those previously described, which management may take to counter such changes. Management also uses an “economic value of equity” model to supplement the modeling technique described above and provide a long-term interest rate risk metric. Economic value of equity is a point-in-time analysis of the economic sensitivity of assets, liabilities and off-balance sheet positions that incorporates all cash flows over their estimated remaining lives. Management measures the impact of changes in market values due to interest rates under a number of scenarios, including immediate shifts of the yield curve.

Table 38 presents cumulative totals of net assets (liabilities) repricing on a contractual basis within the specified time frames, as adjusted for the impact of interest rate swap agreements entered into for interest rate risk management purposes. Management believes that this measure does not appropriately depict interest rate risk since changes in interest rates do not necessarily affect all categories of earning assets and interest-bearing liabilities equally nor, as assumed in the table, on the contractual maturity or repricing date. Furthermore, this static presentation of interest rate risk fails to consider the effect of ongoing lending and deposit gathering activities, projected changes in balance sheet composition or any subsequent interest rate risk management activities the Company is likely to implement.

Table 38

CONTRACTUAL REPRICING DATA

(Dollars in millions)	Three Months or Less	Four to Twelve Months	One to Five Years	After Five Years	Total
December 31, 2023					
Loans and leases, net	\$ 75,826	\$ 5,765	\$ 27,545	\$ 24,932	\$ 134,068
Investment securities	2,828	3,502	6,760	13,807	26,897
Other earning assets	28,174	1	—	—	28,175
Total earning assets	106,828	9,268	34,305	38,739	189,140
Savings and interest- checking deposits	93,221	—	—	—	93,221
Time deposits	3,499	14,708	2,551	1	20,759
Total interest- bearing deposits	96,720	14,708	2,551	1	113,980
Short-term borrowings	5,316	—	—	—	5,316
Long-term borrowings	485	527	5,775	1,414	8,201
Total interest- bearing liabilities	102,521	15,235	8,326	1,415	127,497
Interest rate swap agreements	(19,477)	(3,342)	21,819	1,000	—
Periodic gap	(15,170)	(9,309)	47,798	38,324	
Cumulative gap	(15,170)	(24,479)	23,319	61,643	
Cumulative gap as a % of total earning assets	-8.0 %	-12.9 %	12.3 %	32.6 %	

Certain of the Company's earning assets, interest-bearing liabilities, preferred equity instruments and interest rate swap agreements had historically referenced LIBOR. The determination of LIBOR has effectively ceased after its final publication on June 30, 2023. In preparation for the elimination of LIBOR as a reference rate, the Company essentially had discontinued entering into LIBOR-based contracts at the end of 2021. At December 31, 2023, substantially all customer and other counterparty financial instruments have been transitioned to a new index (generally SOFR) through the amendment of pre-existing agreements to include appropriate alternative language effective upon cessation of LIBOR publication, negotiating new agreements, or other means. The outstanding amount of loans and leases that continue to reference LIBOR at December 31, 2023 was not significant. Prior to its cessation, many of the Company's interest rate swap agreements referenced LIBOR. In October 2020, the International Swaps and Derivatives Association, Inc. published the Supplement and the Protocol.

The Protocol enabled market participants to incorporate certain revisions into their legacy non-cleared derivative trades with other counterparties that also chose to adhere to the Protocol. M&T adhered to the Protocol in November 2020. With respect to the Company's cleared interest rate swap agreements that referenced LIBOR, clearinghouses have adopted the same SOFR benchmark alternatives of the Supplement and the Protocol. All of the Company's LIBOR-based interest rate swap agreements at December 31, 2023 have reset to a suitable alternative index, primarily SOFR.

In addition to the effect of interest rates, changes in fair value of the Company's financial instruments can also result from a lack of trading activity for similar instruments in the financial markets. Information about the fair valuation of financial instruments is presented in note 21 of Notes to Financial Statements.

The Company enters into interest rate and foreign exchange contracts to meet the financial needs of customers that it includes in its financial statements as other non-hedging derivatives within other assets and other liabilities. Financial instruments utilized for such activities consist predominantly of interest rate swap agreements and forward and futures contracts related to foreign currencies. The Company generally mitigates the foreign currency and interest rate risk associated with customer activities by entering into offsetting positions with third parties that are also included in other assets and other liabilities. The fair values of non-hedging derivative positions associated with interest rate contracts and foreign currency and other option and futures contracts are presented in note 19 of Notes to Financial Statements. As with any non-government guaranteed financial instrument, the Company is exposed to credit risk associated with counterparties to the Company's non-hedging derivative activities. Although the notional amounts of these contracts are not recorded in the Consolidated Balance Sheet, the unsettled fair values of those financial instruments are recorded in the Consolidated Balance Sheet. The fair values of such non-hedging derivative assets and liabilities recognized on the Consolidated Balance Sheet were \$256 million and \$898 million, respectively, at December 31, 2023 and \$380 million and \$1.3 billion, respectively, at December 31, 2022. The fair value of asset and liability amounts at December 31, 2023 have been reduced by contractual settlements of \$783 million and \$32 million, respectively, and at December 31, 2022 have been reduced by contractual settlements of \$1.1 billion and \$29 million, respectively. The amounts associated with the Company's non-hedging derivative activities at December 31, 2023 and December 31, 2022 reflect changes in values associated with the interest rate swap agreements entered into with commercial customers that are not subject to periodic variation margin settlement payments.

Trading account assets were \$106 million at December 31, 2023 and \$118 million at December 31, 2022. Included in trading account assets were assets related to deferred compensation plans aggregating \$22 million and \$23 million at December 31, 2023 and 2022, respectively. Changes in the fair values of such assets are recorded as trading account and other non-hedging derivative gains in the Consolidated Statement of Income. Included in other liabilities in the Consolidated Balance Sheet at December 31, 2023 and 2022 were \$27 million and \$29 million, respectively, of liabilities related to deferred compensation plans. Changes in the balances of such liabilities due to the valuation of allocated investment options to which the liabilities are indexed are recorded in other costs of operations in the Consolidated Statement of Income. Also included in trading account assets were investments in mutual funds and other assets that the Company was required to hold under terms of certain non-qualified supplemental retirement and other benefit plans that were assumed by the Company in various acquisitions. Those assets totaled \$80 million at December 31, 2023 and \$95 million at December 31, 2022.

Given the Company's policies and positions, management believes that the potential loss exposure resulting from market risk associated with trading account and other non-hedging derivative activities was not material, however, as previously noted, the Company is exposed to credit risk associated with counterparties to transactions related to the Company's actions to mitigate foreign currency and interest rate risk associated with customer activities. Information about the Company's use of derivative financial instruments is included in note 19 of Notes to Financial Statements.

Capital

Shareholders' equity was \$27.0 billion at December 31, 2023 and represented 12.94% of total assets, compared with \$25.3 billion or 12.61% at December 31, 2022 and \$17.9 billion or 11.54% at December 31, 2021. The higher amount of shareholders' equity at December 31, 2023 and 2022, as compared with December 31, 2021 reflects the issuance of 50,325,004 M&T common shares and other common equity consideration totaling \$8.4 billion for the acquisition of People's United and the conversion of People's United preferred stock into 10,000,000 shares of Series H Preferred Stock amounting to \$261 million on April 1, 2022.

Included in shareholders' equity was preferred stock with financial statement carrying values of \$2.0 billion at each of December 31, 2023 and 2022, compared with \$1.7 billion at December 31, 2021. On April 1, 2022, the Company closed the acquisition of People's United resulting in the issuance of 10,000,000 shares of Series H Preferred Stock, par value \$1.00 per share and liquidation preference of \$25.00 per share, valued at \$261 million. On August 17, 2021, M&T issued 50,000 shares of Series I Preferred Stock, par value \$1.00 and liquidation preference of \$10,000 per share. Information concerning the terms of M&T's issued and outstanding preferred stock, including Series H Preferred Stock and Series I Preferred Stock, is included in note 10 of Notes to Financial Statements.

Common shareholders' equity totaled \$24.9 billion, or \$150.15 per share, at December 31, 2023, compared with \$23.3 billion, or \$137.68 per share, at December 31, 2022 and \$16.2 billion, or \$125.51 per share, at December 31, 2021. Tangible equity per common share, which excludes goodwill and core deposit and other intangible assets and applicable deferred tax balances, was \$98.54 at December 31, 2023, compared with \$86.59 and \$89.80 at December 31, 2022 and 2021, respectively. The Company's ratio of tangible common equity to tangible assets was 8.20% at December 31, 2023, compared with 7.63% and 7.68% at December 31, 2022 and 2021, respectively. Reconciliations of total common shareholders' equity and tangible common equity and total assets and tangible assets as of December 31, 2023, 2022 and 2021 are presented in Table 3. During 2023, 2022 and 2021, the ratio of average total shareholders' equity to average total assets was 12.61%, 12.51% and 11.08%, respectively. The ratio of average common shareholders' equity to average total assets was 11.63%, 11.49% and 10.13% in 2023, 2022 and 2021, respectively.

Shareholders' equity reflects accumulated other comprehensive income or loss, which includes the net after-tax impact of unrealized gains or losses on investment securities classified as available for sale, remaining unrealized losses on held-to-maturity securities transferred from available for sale that have not yet been amortized, gains or losses associated with interest rate swap agreements designated as cash flow hedges, foreign currency translation adjustments and adjustments to reflect the funded status of defined benefit pension and other postretirement plans. The components of accumulated other comprehensive income (loss) are presented in Table 39.

Table 39

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) - NET OF INCOME TAX

(Dollars in millions, except per share amount)	2023	December 31, 2022	2021
Investment securities unrealized gains (losses), net (a)	\$ (187)	\$ (329)	\$ 78
Defined benefit plans adjustments, net (b)	(115)	(202)	(267)
Cash flow hedges unrealized gains (losses) and other, net (c)	(157)	(259)	62
Total	<u>\$ (459)</u>	<u>\$ (790)</u>	<u>\$ (127)</u>
Accumulated other comprehensive income (loss), net, per common share	<u>\$ (2.76)</u>	<u>\$ (4.67)</u>	<u>\$ (0.99)</u>

(a) Refer to note 3 of Notes to Financial Statements.

(b) Refer to note 13 of Notes to Financial Statements.

(c) Refer to note 19 of Notes to Financial Statements.

Reflected in the carrying amount of available-for-sale investment securities at December 31, 2023 were pre-tax effect unrealized gains of less than \$1 million on securities with an amortized cost of \$63 million and pre-tax effect unrealized losses of \$251 million on securities with an amortized cost of \$10.6 billion. Information concerning the Company's fair valuations of investment securities is provided in notes 3 and 21 of Notes to Financial Statements. Each reporting period the Company reviews its available-for-sale investment securities for declines in value that might be indicative of credit-related losses through an analysis of the creditworthiness of the issuer or the credit performance of the underlying collateral supporting the bond. If the Company does not expect to recover the entire amortized cost basis of a debt security a credit loss is recognized in the Consolidated Statement of Income. A loss is also recognized if the Company intends to sell a bond or it more likely than not will be required to sell a bond before recovery of the amortized cost basis. As of December 31, 2023, based on a review of each of the securities in the available-for-sale investment securities portfolio, the Company concluded that it expected to realize the amortized cost basis of each security. As of December 31, 2023, the Company did not intend to sell nor is it anticipated that it would be required to sell any securities for which fair value was less than the amortized cost basis of the security. The Company intends to continue to closely monitor the performance of its investment securities because changes in their underlying credit performance or other events could cause the amortized cost basis of those securities to become uncollectable.

Accounting guidance requires investment securities held to maturity to be presented at their net carrying value that is expected to be collected over their contractual term. The Company estimated no material credit losses for its investment securities classified as held-to-maturity at December 31, 2023 and 2022. The amortized cost basis and fair value of obligations of states and political subdivisions in the held-to-maturity portfolio totaled \$2.5 billion and \$2.4 billion, respectively, at December 31, 2023 and \$2.6 billion and \$2.5 billion, respectively, at December 31, 2022. At December 31, 2023 and 2022, the Company had in its held-to-maturity portfolio privately issued mortgage-backed securities with an amortized cost basis of \$42 million and \$50 million, respectively, and a fair value of \$46 million and \$51 million, respectively. At December 31, 2023, 81% of those mortgage-backed securities were in the most senior tranche of the securitization structure. The mortgage-backed securities are generally collateralized by residential and small-balance commercial real estate loans originated between 2004 and 2008. After considering the repayment structure and estimated future collateral cash flows of each individual bond, the Company has concluded that as of December 31, 2023, it expected to recover the amortized cost basis of those privately issued mortgage-backed securities. Nevertheless, it is possible that adverse changes in the estimated future performance of mortgage loan collateral underlying such securities could impact the Company's conclusions.

Pursuant to previously approved capital plans and authorizations by M&T's Board of Directors, M&T repurchased 3,838,157 shares of its common stock for a total cost of \$600 million, including the share repurchase excise tax, in 2023 and 10,453,282 shares of its common stock for \$1.8 billion in 2022. There were no shares of common stock repurchased during 2021.

Cash dividends declared on M&T's common stock totaled \$871 million in 2023, compared with \$788 million and \$584 million in 2022 and 2021, respectively. Dividends per common share totaled \$5.20 in 2023, compared with \$4.80 and \$4.50 in 2022 and 2021, respectively. M&T's common share dividend payout ratio was 32.97%, 41.56% and 32.69% in 2023, 2022 and 2021, respectively. Dividends of \$100 million in 2023, \$97 million in 2022 and \$73 million in 2021 were declared on preferred stock in accordance with the terms of each series.

M&T and its subsidiary banks are required to comply with applicable Capital Rules. Pursuant to those regulations, the minimum capital ratios are as follows:

- 4.5% CET1 to RWA (each as defined in the Capital Rules);
- 6.0% Tier 1 capital (that is, CET1 plus additional Tier 1 capital) to RWA (each as defined in the Capital Rules);
- 8.0% Total capital (that is, Tier 1 capital plus Tier 2 capital) to RWA (each as defined in the Capital Rules); and
- 4.0% Tier 1 capital to average consolidated assets as reported on consolidated financial statements (known as the “leverage ratio”), as defined in the Capital Rules.

Capital Rules require buffers in addition to the minimum risk-based capital ratios noted above. M&T is subject to a SCB requirement that is determined through the Federal Reserve's supervisory stress tests and M&T's bank subsidiaries are subject to a 2.5% capital conservation buffer requirement. The buffer requirement must be composed entirely of CET1. In June 2023, the Federal Reserve released the results of its most recent supervisory stress tests. Based on those results, on October 1, 2023, M&T's SCB declined from 4.7% to 4.0%.

The federal bank regulatory agencies have issued rules that allow banks and BHCs to phase-in the impact of adopting the expected credit loss accounting model on regulatory capital. Those rules allow banks and BHCs to delay for two years the day one impact on retained earnings of adopting the expected loss accounting standard and 25% of the cumulative change in the reported allowance for credit losses subsequent to the initial adoption through the end of 2021, followed by a three-year transition period. The regulatory capital amounts and ratios of M&T and its bank subsidiaries as of December 31, 2023 are presented in note 24 of Notes to Financial Statements. A detailed discussion of the Capital Rules is included in Part I, Item 1 of this Form 10-K under the heading “Capital Requirements.”

The Company is subject to the comprehensive regulatory framework applicable to bank and financial holding companies and their subsidiaries, which includes examinations by a number of regulators. Regulation of financial institutions such as M&T and its subsidiaries is intended primarily for the protection of depositors, the DIF of the FDIC and the banking and financial system as a whole, and generally is not intended for the protection of shareholders, investors or creditors other than insured depositors. Changes in laws, regulations and regulatory policies applicable to the Company's operations can increase or decrease the cost of doing business, limit or expand permissible activities or affect the competitive environment in which the Company operates, all of which could have a material effect on the business, financial condition or results of operations of the Company and on M&T's ability to pay dividends. For additional information concerning this comprehensive regulatory framework, refer to Part I, Item 1, “Supervision and Regulation of the Company” of this Form 10-K.

On July 27, 2023, the federal banking agencies issued a notice of proposed rulemaking to modify the regulatory capital requirements applicable to large banking organizations with over \$100 billion of total assets and their depository institution subsidiaries. The proposed rule would generally require banking organizations subject to Category III and IV standards, like the Company, to compute their regulatory capital consistent with Category I and II standards. Management is in the process of evaluating the impact of the proposed rule on the regulatory capital requirements of M&T and its subsidiary banks and currently estimates the proposed rules would increase the Company's RWA by a percentage in the mid-single digits.

Segment Information

Reportable segments have been determined based upon the Company's organizational structure and its internal profitability reporting system. As described in note 23 of Notes to Financial Statements, in the fourth quarter of 2023 the Company completed modifications to its internal profitability reporting

system to conform its internal management reporting with certain organizational changes that resulted in the realignment of its business operations into three reportable segments: Commercial Bank, Retail Bank and Institutional Services and Wealth Management. All other business activities that are not included in the three reportable segment results have been included in the "All Other" category. Certain changes to allocation methodologies for internal transfers for funding charges and credits associated with earning assets and interest-bearing liabilities and other revenues and expenses were also made in conjunction with these reportable segment revisions. Prior period reportable segment results disclosed herein have been presented in conformity with the new segment reporting structure.

The financial information of the Company's segments was compiled utilizing the accounting policies described in note 23 of Notes to Financial Statements. The management accounting policies and processes utilized in compiling segment financial information are highly subjective and, unlike financial accounting, are not based on authoritative guidance similar to GAAP. As a result, reported segments and the financial information of the reported segments are not necessarily comparable with similar information reported by other financial institutions. Furthermore, changes in management structure or allocation methodologies and procedures may result in changes in reported segment financial data. Financial information about the Company's segments is presented in note 23 of Notes to Financial Statements.

Commercial Bank

Net income for the Commercial Bank segment was \$1.04 billion in 2023, compared with \$1.24 billion in 2022.

- Net interest income rose \$107 million reflecting a widening of the net interest margin on deposits of 49 basis points and higher average outstanding loan balances of \$9.9 billion, partially offset by a narrowing of the net interest margin on loans of 36 basis points and lower average outstanding deposit balances of \$1.4 billion.
- The provision for credit losses increased by \$231 million reflecting higher net charge-offs predominantly on loans secured by commercial real estate.
- Noninterest income increased \$70 million reflecting the impact of one additional quarter of acquired operations of People's United in 2023 as compared with 2022. Favorable factors included higher letter of credit and other credit-related fees of \$23 million and service charges on deposit accounts of \$14 million, an increase in equipment operating lease income of \$13 million, higher underwriting fees of \$7 million and comparatively higher gains on sale of commercial mortgage loans.
- Noninterest expense increased \$222 million also reflecting the impact of one additional quarter of operations acquired from People's United and included increases in personnel-related costs of \$93 million, centrally-allocated costs associated with data processing, risk management and other support services provided to the Commercial Bank segment of \$66 million, FDIC assessments of \$15 million, professional and other services of \$12 million and advertising and marketing of \$9 million.

The Commercial Bank segment's net income increased \$429 million in 2022 from \$813 million in 2021, predominantly reflecting a nine-month impact of the People's United acquisition in 2022.

- Net interest income rose \$744 million, reflecting a widening of net interest margin on deposits of 97 basis points and higher average outstanding loan and deposit balances of \$16.5 billion and \$7.0 billion, respectively, reflecting the nine-month impact of the People's United acquisition on April 1, 2022, partially offset by a narrowing of the net interest margin on loans of 18 basis points.

- The provision for credit losses declined \$103 million reflecting lower net charge-offs on both commercial and industrial loans and commercial real estate loans.
- Largely reflecting the nine-month impact of the People's United acquisition, noninterest income increased \$79 million, mainly attributable to an increase of \$37 million in letter of credit and other credit-related fees, a \$15 million rise in each of merchant discount and credit card interchange fees and service charges on deposit accounts, and an increase of \$13 million in other non-hedging derivative gains. Partially offsetting those favorable factors was a decline in commercial mortgage banking revenues reflecting lower commercial real estate loan origination and sales activity.
- Also largely resulting from the nine-month impact of the People's United acquisition in 2022, noninterest expense increased \$337 million reflecting a rise in personnel-related costs of \$152 million, higher centrally-allocated costs associated with data processing, risk management and other support services provided to the Commercial Bank segment of \$137 million and an increase in equipment and net occupancy costs, FDIC assessments and other costs of operations.

Retail Bank

Net income for the Retail Bank segment was \$1.84 billion in 2023, an increase of \$799 million compared with 2022.

- Net interest income rose \$1.34 billion, reflecting a widening of the net interest margin on deposits of 152 basis points and higher average outstanding loan balances of \$3.3 billion, partially offset by a narrowing of the net interest margin on loans of 30 basis points.
- The provision for credit losses was \$72 million higher driven by a rise in net charge-offs of consumer loans.
- Noninterest income increased \$59 million predominantly driven by an increase of \$47 million in residential mortgage banking revenues. In the first quarter of 2023, the Company returned to originating for sale the majority of its newly committed residential mortgage loans rather than retain the loans resulting in higher gains associated with residential mortgage loans originated for sale. Residential mortgage loan servicing income increased reflecting the bulk purchase of residential mortgage servicing rights in the first quarter of 2023. Also contributing to the increase in noninterest income was a rise in service charges on deposit accounts of \$13 million reflecting an additional three months of operations acquired from People's United mitigated, somewhat, by fee waivers granted to People's United customers following the conversion to the Company's deposit servicing system in early September 2022. The impact of those waivers, however, was not material.
- Noninterest expense rose \$250 million reflecting the impact of one additional quarter of operations acquired from People's United and included an increase in personnel-related costs of \$86 million, higher equipment and net occupancy costs of \$30 million, and a rise in centrally-allocated costs associated with data processing, risk management, and other support services provided to the Retail Bank segment of \$34 million. Other unfavorable factors included an increase in expenses associated with the bulk purchase of residential mortgage loan servicing rights in the first quarter of 2023, higher check fraud and other losses and a reduction in the valuation allowance for capitalized servicing rights in 2022. Partially offsetting those increases was a \$26 million decline in professional and other services expenses.

The Retail Bank segment's net income increased \$274 million in 2022 from \$765 million in 2021, predominantly reflecting the nine-month impact of the People's United acquisition in 2022.

- Net interest income rose \$1.08 billion reflecting a widening of the net interest margin on deposits of 99 basis points and higher average outstanding balances of deposits and loans of \$19.3 billion and \$6.1 billion, respectively, partially offset by a narrowing of the net interest margin on loans of 41 basis points that reflected a lower level of PPP fee income resulting from repayment of loans by the SBA.
- The provision for credit losses was \$32 million higher driven by a rise in net charge-offs of consumer loans.
- Noninterest income decreased \$128 million reflecting a \$171 million decline in residential mortgage banking revenues resulting from lower mortgage origination and sales activities. That decrease was partially offset by higher service charges on deposit accounts of \$30 million and an increase in merchant discount and credit card interchange fees of \$13 million, each reflecting the impact of the acquisition of People's United.
- Noninterest expense rose \$547 million predominantly due to a rise in centrally-allocated costs associated with data processing, risk management, and other support services provided to the Retail Bank segment of \$213 million, higher personnel-related costs of \$198 million, an increase in equipment and net occupancy costs of \$86 million and an increase in professional and other services of \$27 million (all reflecting the nine-month impact of the People's United acquisition).

Institutional Services & Wealth Management

Net income for the Institutional Services and Wealth Management segment was \$620 million in 2023, an increase of \$218 million from 2022.

- Net interest income increased \$297 million reflecting a widening of the net interest margin on deposits of 217 basis points, partially offset by a \$3.0 billion decline in average outstanding deposit balances.
- Noninterest income decreased \$2 million reflecting a decline in trust income of \$63 million. The divestiture of the CIT business in April 2023 resulted in a decline in trust income of approximately \$105 million as compared with 2022. That decline in trust income was partially offset by the impact of one additional quarter of operations acquired from People's United, improved sales activity and money market fees. Also impacting the decline in noninterest income was a \$136 million gain on sale of MTIA recorded in the fourth quarter of 2022 and lower insurance income in 2023 as a result of that sale. Largely offsetting those unfavorable factors was a \$225 million gain on sale of CIT in the second quarter of 2023 and a rise in brokerage services income.
- Noninterest expense remained flat as higher personnel-related costs of \$28 million, an increase in centrally-allocated costs associated with data processing, risk management and other support services provided to the Institutional Services and Wealth Management segment of \$26 million and higher other costs of operations of \$17 million were essentially offset by a \$68 million decline in professional and other services reflecting lower sub-advisory fees due to the sale of the CIT business.

The Institutional Services and Wealth Management segment's net income increased \$295 million in 2022 from \$107 million in 2021.

- Net interest income increased by \$247 million reflecting a widening of the net interest margin on deposits of 122 basis points and higher average outstanding deposit balances of \$2.2 billion.
- Noninterest income increased \$241 million predominantly due to the \$136 million gain on sale of MTIA in the fourth quarter of 2022. Other favorable factors included higher trust income of \$96 million and a rise in brokerage services income of \$22 million, each reflecting the nine-month impact of the People's United acquisition in 2022.
- Noninterest expense rose \$90 million, mainly attributable to higher personnel-related costs of \$47 million and an increase in centrally-allocated costs associated with data processing, risk management and other support services provided to the Institutional Services and Wealth Management segment of \$38 million.

All Other

The "All Other" category recorded a net loss of \$756 million in 2023, compared with a net loss of \$691 million in 2022.

- Net interest income decreased \$455 million reflecting higher net interest expense from interest rate swap agreements entered into for interest rate risk management purposes as well as the unfavorable impact from the Company's allocation methodologies for internal transfers related to funding charges and credits associated with earning assets and interest-bearing liabilities of the Company's reportable segments.
- The \$176 million decline in the provision for credit losses reflects the \$242 million of provision recorded on April 1, 2022 related to loans obtained in the People's United acquisition that were considered non-PCD and the net impact of the allocation of provision to reportable segments.
- Noninterest income increased \$44 million reflecting an increase in trading and other non-hedging derivative gains of \$27 million due to favorable changes in market conditions impacting the value of assets held in connection with deferred compensation and other non-qualified benefit plans and higher revenues from interest rate swap agreements and foreign exchange transactions with customers. Other favorable factors included an increase in tax-exempt income earned from bank owned life insurance revenue of \$19 million and net gains on investment securities in 2023 as compared with a net loss in 2022, partially offset by a \$10 million decrease in BLG distributions.
- Noninterest expense decreased \$143 million reflecting merger-related expenses incurred in 2022 as a result of the acquisition of People's United and lower contributions to The M&T Charitable Foundation, partially offset by higher FDIC assessments, including the \$197 million FDIC special assessment recorded in the fourth quarter of 2023, an increase in personnel costs, and a rise in outside data processing and software expense as well as equipment and net occupancy costs.

The "All Other" category recorded a net loss of \$691 million in 2022 as compared with net income of \$174 million in 2021.

- Net interest income decreased \$73 million reflecting reduced income from interest rate swap agreements entered into for interest rate risk management purposes, offset partially by the impact from the Company's allocation methodologies for internal transfers related to funding charges and credits associated with earning assets and interest-bearing liabilities of the Company's reportable segments.
- The provision for credit losses increased \$664 million and included a \$242 million provision related to People's United non-PCD acquired loans recorded on April 1, 2022. Also contributing to that increase was a comparative recapture of provision for credit losses in 2021 reflecting an improvement in economic assumptions and projections at that time.
- Noninterest income declined \$2 million due to a decrease in trading and other non-hedging derivative gains of \$13 million reflecting unfavorable market conditions impacting the value of assets held in connection with deferred compensation and other non-qualified benefit plans and a decline in other revenues from operations of \$11 million, largely offset by comparatively lower net losses on bank investment securities.
- Noninterest expense increased \$465 million predominantly due to expenses associated with the acquisition of People's United (including merger-related expenses), higher contributions to The M&T Charitable Foundation and increased amortization of core deposit and other intangible assets.

Critical Accounting Estimates

The Company's significant accounting policies conform with GAAP and are described in note 1 of Notes to Financial Statements. In applying those accounting policies, management of the Company is required to exercise judgment in determining many of the methodologies, assumptions and estimates to be utilized. Certain of the critical accounting estimates are more dependent on such judgment and in some cases may contribute to volatility in the Company's reported financial performance should the assumptions and estimates used change over time due to changes in circumstances. The more significant areas in which management of the Company applies critical assumptions and estimates include the following:

- Accounting for credit losses — The allowance for credit losses represents a valuation account that is deducted from the amortized cost basis of certain financial assets, including loans and leases, to present the net amount expected to be collected at the balance sheet date. A provision for credit losses is recorded to adjust the level of the allowance as deemed necessary by management. In estimating expected losses in the loan and lease portfolio, borrower-specific financial data and macro-economic assumptions are utilized to project losses over a reasonable and supportable forecast period. For certain loan pools that share similar risk characteristics, the Company utilizes statistically developed models to estimate amounts and timing of expected future cash flows, collateral values and other factors used to determine the borrowers' abilities to repay obligations. Such models consider historical correlations of credit losses with various macroeconomic assumptions including unemployment, GDP and real estate prices. These forecasts may be adjusted for inherent limitations or biases of the models. Subsequent to the forecast period, the Company utilizes longer-term historical loss experience to estimate losses over the remaining contractual life of the loans. Changes in the circumstances considered when determining management's estimates and assumptions could result in changes in those estimates and assumptions, which could result in adjustment of the allowance for credit losses in future periods. A

discussion of facts and circumstances considered by management in determining the allowance for credit losses is included herein under the heading "Provision for Credit Losses" and in note 5 of Notes to Financial Statements.

- **Valuation methodologies** — Management of the Company applies various valuation methodologies to assets and liabilities which often involve a significant degree of judgment, particularly when liquid markets do not exist for the particular items being valued. Quoted market prices are referred to when estimating fair values for certain assets, such as investment securities and residential real estate loans held for sale and related commitments. However, for those items for which an observable liquid market does not exist, management utilizes significant estimates and assumptions to value such items. Examples of these items include loans, deposits, borrowings, goodwill, core deposit and other intangible assets, other assets and liabilities obtained or assumed in business combinations, capitalized servicing assets, pension benefit obligations and certain derivative and other financial instruments. These valuations require the use of various assumptions, including, among others, discount rates, rates of return on assets, repayment rates, cash flows, default rates, costs of servicing and liquidation values. The use of different assumptions could produce significantly different results, which could have material positive or negative effects on the Company's results of operations, financial condition or disclosures of fair value information. In addition to valuation, the Company must assess whether there are any declines in value below the carrying value of assets that require recognition of a loss in the Consolidated Statement of Income. Examples include certain investments, capitalized servicing assets, goodwill and core deposit and other intangible assets, among others. Specific assumptions and estimates utilized by management are discussed in detail herein in Management's Discussion and Analysis of Financial Condition and Results of Operations and in notes 1, 2, 3, 7, 8, 13, 19 and 21 of Notes to Financial Statements.

- **Commitments, contingencies and off-balance sheet arrangements** — Information regarding the Company's commitments and contingencies, including guarantees and contingent liabilities arising from litigation, and their potential effects on the Company's results of operations is included in note 22 of Notes to Financial Statements. In addition, the Company is routinely subject to examinations from various governmental taxing authorities. Such examinations may result in challenges to the tax return treatment applied by the Company to specific transactions. Management believes that the assumptions and judgment used to record tax-related assets or liabilities have been appropriate. Should tax laws change or the tax authorities determine that management's assumptions were inappropriate, the result and adjustments required could have a material effect on the Company's results of operations. Information regarding the Company's income taxes is presented in note 14 of Notes to Financial Statements.

Recent Accounting Developments

A discussion of recent accounting developments is included in note 27 of Notes to Financial Statements.

Forward-Looking Statements

Management's Discussion and Analysis of Financial Condition and Results of Operations and other sections of this Annual Report on Form 10-K contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statement that does not describe historical or current facts is a forward-looking statement, including statements based on current expectations, estimates and projections about the Company's business, and management's beliefs and assumptions.

Statements regarding the potential effects of events or factors specific to the Company and/or the financial industry as a whole, as well as national and global events generally, on the Company's

business, financial condition, liquidity and results of operations may constitute forward-looking statements. Such statements are subject to the risk that the actual effects may differ, possibly materially, from what is reflected in those forward-looking statements due to factors and future developments that are uncertain, unpredictable and in many cases beyond the Company's control.

Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "target," "estimate," "continue," 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 which are difficult to predict and may cause actual outcomes to differ materially from what is expressed or forecasted.

While there can be no assurance that any list of risks and uncertainties is complete, important factors that could cause actual outcomes and results to differ materially from those contemplated by forward-looking statements include the following, without limitation, as well as the risks more fully discussed in Part I, Item 1A, "Risk Factors" of this Form 10-K: economic conditions and growth rates, including inflation and market volatility; events and developments in the financial services industry, including industry conditions; changes in interest rates, spreads on earning assets and interest-bearing liabilities, and interest rate sensitivity; prepayment speeds, loan originations, loan concentrations by type and industry, credit losses and market values on loans, collateral securing loans, and other assets; sources of liquidity; levels of client deposits; ability to contain costs and expenses; changes in the Company's credit ratings; the impact of the People's United acquisition; domestic or international political developments and other geopolitical events, including international conflicts and hostilities; changes and trends in the securities markets; 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; federal, state or local legislation and/or regulations affecting the financial services industry, or M&T and its subsidiaries individually or collectively, including tax policy; regulatory supervision and oversight, including monetary policy and capital requirements; governmental and public policy changes; political conditions, either nationally or in the states in which M&T and its subsidiaries do business; the outcome of pending and future litigation and governmental proceedings, including tax-related examinations and other matters; changes in accounting policies or procedures as may be required by the FASB, regulatory agencies or legislation; increasing price, product and service competition by competitors, including new entrants; 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 and services; protection and validity of intellectual property rights; reliance on large customers; technological, implementation and cost/financial risks in large, multi-year contracts; 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, divestment 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 factors that could affect the outcome of the forward-looking statements. In addition, as noted, 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, and other factors. Further details regarding such factors, risks and uncertainties related to the Company are described in the "Risk Factors" section of this Form 10-K.

Forward-looking statements speak only as of the date they are made, and the Company assumes no duty and does not undertake to update forward-looking statements.

Table 40

QUARTERLY TRENDS

(Dollars in millions, except per share, shares in thousands)	2023 Quarters				2022 Quarters			
	Fourth	Third	Second	First	Fourth	Third	Second	First
Earnings and dividends								
Interest income (taxable-equivalent basis)	\$ 2,753	\$ 2,656	\$ 2,530	\$ 2,341	\$ 2,086	\$ 1,794	\$ 1,475	\$ 931
Interest expense	1,018	866	717	509	245	103	53	24
Net interest income	1,735	1,790	1,813	1,832	1,841	1,691	1,422	907
Less: provision for credit losses	225	150	150	120	90	115	302	10
Other income	578	560	803	587	682	563	571	541
Less: other expense	1,450	1,278	1,293	1,359	1,408	1,279	1,403	960
Income before income taxes	638	922	1,173	940	1,025	860	288	478
Applicable income taxes	143	217	292	224	246	201	60	113
Taxable-equivalent adjustment	13	15	14	14	14	12	10	3
Net income	\$ 482	\$ 690	\$ 867	\$ 702	\$ 765	\$ 647	\$ 218	\$ 362
Net income available to common shareholders-diluted	\$ 457	\$ 664	\$ 841	\$ 676	\$ 739	\$ 621	\$ 192	\$ 340
Per common share data								
Basic earnings	2.75	4.00	5.07	4.03	4.32	3.55	1.08	2.63
Diluted earnings	2.74	3.98	5.05	4.01	4.29	3.53	1.08	2.62
Cash dividends	1.30	1.30	1.30	1.30	1.20	1.20	1.20	1.20
Average common shares outstanding								
Basic	165,985	165,909	165,842	167,732	171,187	174,609	177,367	128,945
Diluted	166,731	166,570	166,320	168,410	172,149	175,682	178,277	129,416
Performance ratios, annualized								
Return on								
Average assets	.92 %	1.33 %	1.70 %	1.40 %	1.53 %	1.28 %	.42 %	.97 %
Average common shareholders' equity	7.41	10.99	14.27	11.74	12.59	10.43	3.21	8.55
Net interest margin on average earning assets (taxable-equivalent basis)								
	3.61	3.79	3.91	4.04	4.06	3.68	3.01	2.65
Nonaccrual loans to total loans and leases, net of unearned discount								
	1.62	1.77	1.83	1.92	1.85	1.89	2.05	2.32
Net operating (tangible) results (a)								
Net operating income	\$ 494	\$ 702	\$ 879	\$ 715	\$ 812	\$ 700	\$ 578	\$ 376
Diluted net operating income per common share	2.81	4.05	5.12	4.09	4.57	3.83	3.10	2.73
Annualized return on								
Average tangible assets	.98 %	1.41 %	1.80 %	1.49 %	1.70 %	1.44 %	1.16 %	1.04 %
Average tangible common shareholders' equity	11.70	17.41	22.73	19.00	21.29	17.89	14.41	12.44
Efficiency ratio (b)								
	62.1	53.7	48.9	55.5	53.3	53.6	58.3	64.9
Balance sheet data								
Average balances								
Total assets (c)	\$ 208,752	\$ 205,791	\$ 204,376	\$ 202,599	\$ 198,592	\$ 201,131	\$ 208,865	\$ 151,648
Total tangible assets (c)	200,172	197,199	195,764	193,957	189,934	192,450	200,170	147,053
Earning assets	190,536	187,403	185,936	184,069	179,914	182,382	189,755	138,624
Investment securities	27,490	27,993	28,623	27,622	25,297	23,945	22,384	7,724
Loans and leases, net of unearned discount	132,770	132,617	133,545	132,012	129,406	127,525	127,599	92,159
Deposits	164,713	162,688	159,399	161,537	163,468	167,271	174,683	128,055
Borrowings	13,057	12,585	15,055	11,505	5,385	4,194	4,408	3,498
Common shareholders' equity (c)	24,489	24,009	23,674	23,366	23,335	23,654	24,079	16,144
Tangible common shareholders' equity (c)	15,909	15,417	15,062	14,724	14,677	14,973	15,384	11,549
At end of quarter								
Total assets (c)	208,264	209,124	207,672	202,956	200,730	197,955	204,033	149,864
Total tangible assets (c)	199,689	200,538	199,074	194,321	192,082	189,281	195,344	145,269
Earning assets	189,140	189,942	188,504	183,853	181,855	178,351	185,109	137,237
Investment securities	26,897	27,336	27,916	28,443	25,211	24,604	22,802	9,357
Loans and leases, net of unearned discount	134,068	132,355	133,344	132,938	131,564	128,226	128,486	91,808
Deposits	163,274	164,128	162,058	159,075	163,515	163,845	170,358	126,319
Borrowings	13,517	13,854	15,325	14,458	7,519	4,377	4,137	3,494
Common shareholders' equity (c)	24,946	24,186	23,790	23,366	23,307	23,245	23,784	16,126
Tangible common shareholders' equity (c)	16,371	15,600	15,192	14,731	14,659	14,571	15,095	11,531
Equity per common share	150.15	145.72	143.41	140.88	137.68	134.45	135.16	124.93
Tangible equity per common share	98.54	93.99	91.58	88.81	86.59	84.28	85.78	89.33

(a) 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 in Table 41.

(b) Excludes impact of merger-related expenses and net securities transactions.

(c) The difference between total assets and total tangible assets, and common shareholders' equity and tangible common shareholders' equity, represents goodwill, core deposit and other intangible assets, net of applicable deferred tax balances. A reconciliation of such balances appears in Table 41.

Table 41

RECONCILIATION OF QUARTERLY GAAP TO NON-GAAP MEASURES

(Dollars in millions, except per share)	2023 Quarters				2022 Quarters			
	Fourth	Third	Second	First	Fourth	Third	Second	First
Income statement data								
Net income								
Net income	\$ 482	\$ 690	\$ 867	\$ 702	\$ 765	\$ 647	\$ 218	\$ 362
Amortization of core deposit and other intangible assets (a)	12	12	12	13	14	14	14	1
Merger-related expenses (a)	—	—	—	—	33	39	346	13
Net operating income	\$ 494	\$ 702	\$ 879	\$ 715	\$ 812	\$ 700	\$ 578	\$ 376
Earnings per common share								
Diluted earnings per common share	\$ 2.74	\$ 3.98	\$ 5.05	\$ 4.01	\$ 4.29	\$ 3.53	\$ 1.08	\$ 2.62
Amortization of core deposit and other intangible assets (a)	.07	.07	.07	.08	.08	.08	.08	.01
Merger-related expenses (a)	—	—	—	—	.20	.22	1.94	.10
Diluted net operating earnings per common share	\$ 2.81	\$ 4.05	\$ 5.12	\$ 4.09	\$ 4.57	\$ 3.83	\$ 3.10	\$ 2.73
Other expense								
Other expense	\$ 1,450	\$ 1,278	\$ 1,293	\$ 1,359	\$ 1,408	\$ 1,279	\$ 1,403	\$ 960
Amortization of core deposit and other intangible assets	(15)	(15)	(15)	(17)	(18)	(18)	(19)	(1)
Merger-related expenses	—	—	—	—	(45)	(53)	(223)	(17)
Noninterest operating expense	\$ 1,435	\$ 1,263	\$ 1,278	\$ 1,342	\$ 1,345	\$ 1,208	\$ 1,161	\$ 942
Merger-related expenses								
Salaries and employee benefits	\$ —	\$ —	\$ —	\$ —	\$ 4	\$ 13	\$ 85	\$ —
Equipment and net occupancy	—	—	—	—	2	2	1	2
Outside data processing and software	—	—	—	—	2	2	1	—
Professional and other services	—	—	—	—	16	11	31	14
Advertising and marketing	—	—	—	—	5	2	1	1
Other costs of operations	—	—	—	—	16	23	104	—
Other expense	—	—	—	—	45	53	223	17
Provision for credit losses	—	—	—	—	—	—	242	—
Total	\$ —	\$ —	\$ —	\$ —	\$ 45	\$ 53	\$ 465	\$ 17
Efficiency ratio								
Noninterest operating expense (numerator)	\$ 1,435	\$ 1,263	\$ 1,278	\$ 1,342	\$ 1,345	\$ 1,208	\$ 1,161	\$ 942
Taxable-equivalent net interest income	\$ 1,735	\$ 1,790	\$ 1,813	\$ 1,832	\$ 1,841	\$ 1,691	\$ 1,422	\$ 907
Other income	578	560	803	587	682	563	571	541
Less: Gain (loss) on bank investment securities	4	—	1	—	(4)	(1)	—	(1)
Denominator	\$ 2,309	\$ 2,350	\$ 2,615	\$ 2,419	\$ (2,527)	\$ 2,255	\$ 1,993	\$ 1,449
Efficiency ratio	62.1 %	53.7 %	48.9 %	55.5 %	53.3 %	53.6 %	58.3 %	64.9 %
Balance sheet data								
Average assets								
Average assets	\$ 208,752	\$ 205,791	\$ 204,376	\$ 202,599	\$ 198,592	\$ 201,131	\$ 208,865	\$ 151,648
Goodwill	(8,465)	(8,465)	(8,473)	(8,490)	(8,494)	(8,501)	(8,501)	(4,593)
Core deposit and other intangible assets	(154)	(170)	(185)	(201)	(218)	(236)	(254)	(3)
Deferred taxes	39	43	46	49	54	56	60	1
Average tangible assets	\$ 200,172	\$ 197,199	\$ 195,764	\$ 193,957	\$ 189,934	\$ 192,450	\$ 200,170	\$ 147,053
Average common equity								
Average total equity	\$ 26,500	\$ 26,020	\$ 25,685	\$ 25,377	\$ 25,346	\$ 25,665	\$ 26,090	\$ 17,894
Preferred stock	(2,011)	(2,011)	(2,011)	(2,011)	(2,011)	(2,011)	(2,011)	(1,750)
Average common equity	24,489	24,009	23,674	23,366	23,335	23,654	24,079	16,144
Goodwill	(8,465)	(8,465)	(8,473)	(8,490)	(8,494)	(8,501)	(8,501)	(4,593)
Core deposit and other intangible assets	(154)	(170)	(185)	(201)	(218)	(236)	(254)	(3)
Deferred taxes	39	43	46	49	54	56	60	1
Average tangible common equity	\$ 15,909	\$ 15,417	\$ 15,062	\$ 14,724	\$ 14,677	\$ 14,973	\$ 15,384	\$ 11,549
At end of quarter								
Total assets								
Total assets	\$ 208,264	\$ 209,124	\$ 207,672	\$ 202,956	\$ 200,730	\$ 197,955	\$ 204,033	\$ 149,864
Goodwill	(8,465)	(8,465)	(8,465)	(8,490)	(8,490)	(8,501)	(8,501)	(4,593)
Core deposit and other intangible assets	(147)	(162)	(177)	(192)	(209)	(227)	(245)	(3)
Deferred taxes	37	41	44	47	51	54	57	1
Total tangible assets	\$ 199,689	\$ 200,538	\$ 199,074	\$ 194,321	\$ 192,082	\$ 189,281	\$ 195,344	\$ 145,269
Total common equity								
Total equity	\$ 26,957	\$ 26,197	\$ 25,801	\$ 25,377	\$ 25,318	\$ 25,256	\$ 25,795	\$ 17,876
Preferred stock	(2,011)	(2,011)	(2,011)	(2,011)	(2,011)	(2,011)	(2,011)	(1,750)
Common equity	24,946	24,186	23,790	23,366	23,307	23,245	23,784	16,126
Goodwill	(8,465)	(8,465)	(8,465)	(8,490)	(8,490)	(8,501)	(8,501)	(4,593)
Core deposit and other intangible assets	(147)	(162)	(177)	(192)	(209)	(227)	(245)	(3)
Deferred taxes	37	41	44	47	51	54	57	1
Total tangible common equity	\$ 16,371	\$ 15,600	\$ 15,192	\$ 14,731	\$ 14,659	\$ 14,571	\$ 15,095	\$ 11,531

(a) After any related tax effect.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Incorporated by reference to the discussion contained in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," under the captions "Liquidity Risk", "Market Risk and Interest Rate Sensitivity" (including Table 37) and "Capital."

Item 8. Financial Statements and Supplementary Data.

Financial Statements and Supplementary Data consist of the financial statements as indexed and presented below and Table 40 "Quarterly Trends" presented in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

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Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting at the Company. Management has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2023 based on criteria described in "Internal Control — Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment, management concluded that the Company maintained effective internal control over financial reporting as of December 31, 2023.

The consolidated financial statements of the Company have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, that was engaged to express an opinion as to the fairness of presentation of such financial statements. PricewaterhouseCoopers LLP was also engaged to assess the effectiveness of the Company's internal control over financial reporting. The report of PricewaterhouseCoopers LLP follows this report.

M&T BANK CORPORATION

A handwritten signature in black ink, appearing to read "René F. Jones".

René F. Jones
Chairman of the Board and Chief Executive Officer

A handwritten signature in black ink, appearing to read "Daryl N. Bible".

Daryl N. Bible
Senior Executive Vice President and Chief Financial Officer

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of M&T Bank Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheet of M&T Bank Corporation and its subsidiaries (the "Company") as of December 31, 2023 and 2022, and the related consolidated statements of income, of comprehensive income, of changes in shareholders' equity and of cash flows for each of the three years in the period ended December 31, 2023, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

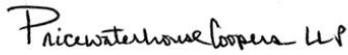
The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance for Credit Losses – Adjustments to model forecasts

As described in Notes 1 and 5 to the consolidated financial statements, the Company's allowance for credit losses of \$2.1 billion reflects management's expected credit losses in the loan and lease portfolio of \$134.1 billion as of December 31, 2023. For purposes of determining the level of the allowance for credit losses, management evaluates the Company's loan and lease portfolio by type. Management utilizes statistically developed models to project principal balances over the remaining contractual lives of the loan portfolios and to determine estimated credit losses through a reasonable and supportable forecast period. Model forecasts may be adjusted for inherent limitations or biases that have been identified through independent validation and back-testing of model performance to actual realized results. Management also considered the impact of portfolio concentrations, changes in underwriting practices, product expansions into new markets, imprecision in its economic forecasts, geopolitical conditions and other risk factors that might influence the loss estimation process.

The principal considerations for our determination that performing procedures relating to the allowance for credit losses, specifically certain adjustments to model forecasts, is a critical audit matter are (i) the significant judgment by management in determining the adjustments to model forecasts, (ii) a high degree of auditor judgment, subjectivity and effort in performing procedures and in evaluating audit evidence related to management's determination of these adjustments to model forecasts, and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the Company's allowance for credit losses estimation process, including controls relating to the allowance for credit losses estimation process for certain adjustments to model forecasts. These procedures also included, among others, testing management's process for determining the allowance for credit losses and these adjustments to model forecasts, including evaluating the appropriateness of management's methodology, testing the data utilized by management and evaluating the reasonableness of significant assumptions relating to these adjustments to model forecasts. Evaluating significant assumptions relating to these adjustments to model forecasts involved evaluating portfolio composition and concentration, as well as relevant market data. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of management's methodology and the reasonableness of significant assumptions relating to these adjustments to model forecasts.

The logo for PricewaterhouseCoopers LLP, featuring the company name in a stylized, handwritten-style font.

Buffalo, New York
February 21, 2024

We have served as the Company's auditor since 1984.

M&T BANK CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheet

(Dollars in millions, except per share)	2023	December 31, 2022
Assets		
Cash and due from banks	\$ 1,731	\$ 1,517
Interest-bearing deposits at banks	28,069	24,959
Federal funds sold	—	3
Trading account	106	118
Investment securities		
Available for sale (cost: \$		
10,691		
at December 31, 2023;		
\$		
11,193	10,440	10,749
at December 31, 2022)		
Held to maturity (fair value: \$		
14,308		
at December 31, 2023;		
\$		
12,375	15,330	13,530
at December 31, 2022)		
Equity and other securities (cost: \$		
1,125		
at December 31, 2023;		
\$		
934	1,127	932
at December 31, 2022)		
Total investment securities	26,897	25,211
Loans and leases	134,936	132,074
Unearned discount	(868)	(510)
Loans and leases, net of unearned discount	134,068	131,564
Allowance for credit losses	(2,129)	(1,925)
Loans and leases, net	131,939	129,639
Premises and equipment	1,739	1,654

	8,465	8,490
Goodwill		
	147	209
Core deposit and other intangible assets		
	9,171	8,930
Accrued interest and other assets		
	208,264	200,730
Total assets	\$	\$
Liabilities		
	49,294	65,502
Noninterest-bearing deposits	\$	\$
	93,221	87,911
Savings and interest-checking deposits		
	20,759	10,102
Time deposits		
	163,274	163,515
Total deposits		
	5,316	3,555
Short-term borrowings		
	4,516	4,377
Accrued interest and other liabilities		
	8,201	3,965
Long-term borrowings		
	181,307	175,412
Total liabilities		
Shareholders' equity		

Preferred stock, \$		
1.00		
par,		
20,000,000		
shares authorized;		
Issued and outstanding: Liquidation preference of \$		
1,000		
per share:		
350,000		
shares at December 31, 2023 and December 31, 2022; Liquidation preference of \$		
10,000		
per share:		
140,000		
shares at December 31, 2023 and December 31, 2022;		
Liquidation preference of \$		
25		
per share:		
10,000,000		
shares at December 31, 2023		
and December 31, 2022	2,011	2,011
Common stock, \$		
.50		
par,		
250,000,000		
shares authorized,		
179,436,779		
shares issued at December 31, 2023 and December 31, 2022	90	90
Common stock issuable,		
12,217		
shares at December 31, 2023;		
14,031		
shares at December 31, 2022	1	1
Additional paid-in capital	10,020	10,002

	17,524	15,754
Retained earnings	(	(
	459	790
Accumulated other comprehensive income (loss), net	)	)
Treasury stock — common, at cost —		
13,300,298		
shares at December 31, 2023;	(	(
10,165,419	2,230	1,750
shares at December 31, 2022	)	)
Total shareholders' equity	26,957	25,318
	208,264	200,730
Total liabilities and shareholders' equity	\$	\$

See accompanying notes to financial statements.

M&T BANK CORPORATION AND SUBSIDIARIES
Consolidated Statement of Income

(Dollars in millions, except per share)	Year Ended December 31,		
	2023	2022	2021
Interest income			
Loans and leases, including fees	\$ 8,021	\$ 5,237	\$ 3,749
Investment securities			
Fully taxable	773	448	141
Exempt from federal taxes	66	51	—
Deposits at banks	1,360	509	48
Other	4	2	1
Total interest income	10,224	6,247	3,939
Interest expense			
Savings and interest-checking deposits	1,746	271	33
Time deposits	671	24	19
Short-term borrowings	292	19	—
Long-term borrowings	400	111	62
Total interest expense	3,109	425	114
Net interest income	7,115	5,822	3,825
Provision for credit losses	645	517	(75)
Net interest income after provision for credit losses	6,470	5,305	3,900
Other income			
Mortgage banking revenues	409	357	571
Service charges on deposit accounts	475	447	402

	680	741	645
Trust income			
Brokerage services income	102	88	63
	49	27	24
Trading account and other non-hedging derivative gains		(	(
Gain (loss) on bank investment securities	4	6	21
		)	)
Other revenues from operations	809	703	483
Total other income	2,528	2,357	2,167
Other expense			
Salaries and employee benefits	2,997	2,787	2,046
Equipment and net occupancy	520	474	327
Outside data processing and software	437	376	292
Professional and other services	413	509	379
FDIC assessments	315	90	70
Advertising and marketing	108	90	64
Amortization of core deposit and other intangible assets	62	56	10
Other costs of operations	527	668	424
Total other expense	5,379	5,050	3,612
Income before taxes	3,619	2,612	2,455
Income taxes	878	620	596
Net income	<u>\$ 2,741</u>	<u>\$ 1,992</u>	<u>\$ 1,859</u>
Net income available to common shareholders			
Basic	\$ 2,636	\$ 1,891	\$ 1,777
Diluted	2,636	1,891	1,777
Net income per common share			

Basic	15.85	11.59	13.81
Diluted	15.79	11.53	13.80

See accompanying notes to financial statements.

M&T BANK CORPORATION AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

(Dollars in millions)	Year Ended December 31,		
	2023	2022	2021
Net income			
	\$ 2,741	\$ 1,992	\$ 1,859
Other comprehensive income (loss), net of tax and reclassification adjustments:			
Net unrealized gains (losses) on investment securities		(	(
	142	407	67
		)	)
Cash flow hedges adjustments		(	(
	98	315	211
		)	)
Defined benefit plans liability adjustments			
	87	65	214
Foreign currency translation adjustments		(	(
	4	6	1
		)	)
Total other comprehensive income (loss)		(	(
	331	663	65
		)	)
Total comprehensive income			
	\$ 3,072	\$ 1,329	\$ 1,794
	<u>\$</u>	<u>\$</u>	<u>\$</u>

See accompanying notes to financial statements.

M&T BANK CORPORATION AND SUBSIDIARIES
Consolidated Statement of Cash Flows

(Dollars in millions)	Year Ended December 31,		
	2023	2022	2021
Cash flows from operating activities			
Net income	\$ 2,741	\$ 1,992	\$ 1,859
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for credit losses	645	517	75
Depreciation and amortization of premises and equipment	304	282	224
Amortization of capitalized servicing rights	131	97	90
Amortization of core deposit and other intangible assets	62	56	10
Provision for deferred income taxes	(97)	(30)	87
Asset write-downs	4	8	8
Net gain on sales of assets	(249)	(153)	(10)
Net change in accrued interest receivable, payable	261	123	66
Net change in other accrued income and expense	561	70	53
Net change in loans originated for sale	(192)	771	164
Net change in trading account and other non-hedging derivative assets and liabilities	(266)	1,227	567
Net cash provided by operating activities	3,905	4,574	2,715
Cash flows from investing activities			
Proceeds from sales of investment securities:			
Equity and other securities	1,014	242	18
Proceeds from maturities of investment securities:			
Available for sale	743	795	1,434
Held to maturity	1,170	1,516	615
Purchases of investment securities:			

	(	(	(
	346	7,222	678
Available for sale	)	)	)
	(	(	(
	2,948	1,890	1,602
Held to maturity	)	)	)
	(	(	(
	1,205	456	30
Equity and other securities	)	)	)
	(	(	(
	2,770	3,639	5,677
Net (increase) decrease in loans and leases	)	)	)
	(	(	(
	3,110	26,107	18,208
Net (increase) decrease in interest-bearing deposits at banks	)	)	)
	(	(	(
	256	214	149
Capital expenditures, net	)	)	)
	(	(	(
	274	1,579	197
Net (increase) decrease in loan servicing advances	)	)	)
Acquisition, net of cash consideration:			
		394	
Bank and bank holding company	—		—
	(	(	(
	440	620	511
Other, net	)	)	)
	(	(	(
	7,874	16,592	13,631
Net cash provided (used) by investing activities	)	)	)
Cash flows from financing activities			
	(	(	(
	248	20,994	11,738
Net increase (decrease) in deposits	)	)	)
	(	(	(
	1,761	2,613	13
Net increase (decrease) in short-term borrowings	)	)	)
	5,035	999	10
Proceeds from long-term borrowings	(	(	(
	824	907	853
Payments on long-term borrowings	)	)	)
	(	(	(
	594	1,800	
Purchases of treasury stock	)	)	—
	(	(	(
	868	784	580
Dividends paid — common	)	)	)
	(	(	(
	100	97	68
Dividends paid — preferred	)	)	)
			495
Proceeds from issuance of Series I preferred stock	—	—	(
		(	(
	18	14	28
Other, net	)	)	)
	(	(	(
	4,180	20,984	10,701
Net cash provided (used) by financing activities	)	)	)

Net increase (decrease) in cash, cash equivalents and restricted cash			(
	211	182	215
			)
Cash, cash equivalents and restricted cash at beginning of period	1,520	1,338	1,553
Cash, cash equivalents and restricted cash at end of period			
	\$ 1,731	\$ 1,520	\$ 1,338
Supplemental disclosure of cash flow information			
Interest received during the period	\$ 10,092	\$ 6,135	\$ 3,977
Interest paid during the period	2,691	429	139
Income taxes paid during the period	452	488	314
Supplemental schedule of noncash investing and financing activities			
Real estate acquired in settlement of loans	23	31	9
Additions to right-of-use assets under operating leases	134	138	58
Loans held for sale transferred to loans held for investment	—	—	330
Acquisition of bank and bank holding company:			
Common stock issued	—	8,286	—
Common stock awards converted	—	105	—
Fair value of:			
Assets acquired (noncash)	—	63,757	—
Liabilities assumed	—	55,499	—
Preferred stock converted	—	261	—

See accompanying notes to financial statements.

M&T BANK CORPORATION AND SUBSIDIARIES

Consolidated Statement of Changes in Shareholders' Equity

(Dollars in millions, except per share)	Preferred Stock	Common Stock	Common Stock Issuable	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensiv e Income (Loss), Net	Treasury Stock	Total
2021								
Balance — January 1, 2021						(	(	
	1,250	80	1	6,617	13,444	62	5,143	16,187
	\$	\$	\$	\$	\$	\$	\$	\$
Total comprehensive income						(		
					1,859	65		1,794
	—	—	—	—		)	—	
Preferred stock cash dividends					(			(
	—	—	—	—	73		—	73
					)	—	—	)
Issuance of Series I preferred stock				(				
	500			5				495
		—	—	)	—	—	—	
Stock-based compensation transactions, net					(			
	—	—	—	23	1		61	83
					)	—		
Common stock cash dividends — \$					(			(
					583			583
	4.50				)	—	—	)
	per share							
Balance — December 31, 2021						(	(	
	1,750	80	1	6,635	14,646	127	5,082	17,903
						)	)	
2022								
Total comprehensive income						(		
					1,992	663		1,329
	—	—	—	—		)	—	
Acquisition of People's United Financial, Inc.:								
Common stock issued								
		10		3,256			5,020	8,286
	—		—		—	—		
Common stock awards converted								
				105				105
	—	—	—		—	—	—	
Conversion of Series H preferred stock								
	261							261
		—	—	—	—	—	—	
Preferred stock cash dividends					(			(
					97			97
	—	—	—	—	)	—	—	)
Purchases of treasury stock							(	(
	—	—	—	—	—	—	1,800	1,800
							)	)
Stock-based compensation transactions, net					(			
	—	—	—	6	1		112	117
					)	—		
Common stock cash dividends — \$					(			(
					786			786
	4.80				)	—	—	)
	per share							

Balance — December 31, 2022

						(	(	
	2,011	90	1	10,002	15,754	790	1,750	25,318
						)	)	
2023								
Total comprehensive income								
					2,741	331		3,072
	—	—	—	—			—	
Preferred stock cash dividends					(			(
					100			100
	—	—	—	—	)	—	—	)
Purchases of treasury stock							(	(
							600	600
	—	—	—	—	—	—	)	)
Stock-based compensation transactions, net					(			
				18	2		120	136
	—	—	—		)	—		
Common stock cash dividends								
— \$					(			(
5.20					869			869
per share	—	—	—	—	)	—	—	)
Balance — December 31, 2023						(	(	
	2,011	90	1	10,020	17,524	459	2,230	26,957
	\$	\$	\$	\$	\$	)	)	\$

See accompanying notes to financial statements.

M&T BANK CORPORATION AND SUBSIDIARIES

Notes to Financial Statements

1. Significant accounting policies

M&T is a 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, mortgage banking, trust, asset management and other financial services. Banking activities are largely focused on consumers residing in New York State, Maryland, New Jersey, Pennsylvania, Delaware, Connecticut, Massachusetts, Maine, Vermont, New Hampshire, 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.

The accounting and reporting policies of the Company are in accordance with GAAP and general practices within the banking industry. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

At December 31, 2023, the Company reclassified the substantial majority of its loans secured by commercial real estate that were considered owner-occupied to commercial and industrial loans to reflect the variation in the management and underlying risk profile of such loans as compared with investor-owned commercial real estate loans. Also in the fourth quarter of 2023, the Company began presenting "professional and other services" as an individual component of "other expense" while combining the presentation of "printing, postage and supplies" into "other costs of operations" within the Consolidated Statement of Income. Prior periods were reclassified to conform to the current presentation. As further described in note 23, in the fourth quarter of 2023 the Company completed modifications to its management reporting system to conform its internal profitability reporting with certain organizational changes that resulted in the realignment of its business operations into three reportable segments: Commercial Bank, Retail Bank and Institutional Services and Wealth Management. Prior period reportable segment results disclosed in note 23 have been presented in conformity with the new segment reporting structure.

The Company's significant accounting policies are as follows:

Consolidation

The consolidated financial statements include M&T and all of its subsidiaries. All significant intercompany accounts and transactions of consolidated subsidiaries have been eliminated in consolidation. The financial statements of M&T included in note 26 report investments in subsidiaries under the equity method. Information about some limited purpose entities that are affiliates of the Company but are not included in the consolidated financial statements appears in note 20.

Consolidated Statement of Cash Flows

For purposes of this statement, cash and due from banks and federal funds sold are considered cash and cash equivalents.

Securities purchased under agreements to resell and securities sold under agreements to repurchase

Securities purchased under agreements to resell and securities sold under agreements to repurchase are treated as collateralized financing transactions and are recorded at amounts equal to the cash or other consideration exchanged. It is generally the Company's policy to take possession of collateral pledged to secure agreements to resell.

Trading account

Financial instruments used for trading purposes are stated at fair value. Realized gains and losses and unrealized changes in fair value of financial instruments utilized in trading activities are included in "trading account and other non-hedging derivative gains" in the Consolidated Statement of Income.

Investment securities

Investments in debt securities are classified as held to maturity and stated at amortized cost when management has the positive intent and ability to hold such securities to maturity. Investments in other debt securities are classified as available for sale and stated at estimated fair value with unrealized changes in fair value included in "accumulated other comprehensive income (loss), net." Amortization of premiums and accretion of discounts for investment securities available for sale and held to maturity are included in interest income.

Investments in equity securities having readily determinable fair values are stated at fair value and unrealized changes in fair value are included in earnings. Investments in equity securities that do not have readily determinable fair values are stated at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Other equity securities include stock of the FRB of New York and the FHLB of New York.

GAAP requires an allowance for credit losses be deducted from the amortized cost basis of financial assets, including investment securities held to maturity, to present the net carrying value at the amount that is expected to be collected over the contractual term. In cases where fair value of an available-for-sale debt security is less than its amortized cost basis and the Company does not intend to sell the available-for-sale debt security and it is not more likely than not that the Company will be required to sell the security before recovery of the amortized cost basis, the difference between the fair value and the amortized cost basis is separated into (a) the amount representing the credit loss and (b) the amount related to all other factors. The amount related to the credit loss is recognized as an allowance for credit losses while the amount related to other factors is recognized in other comprehensive income, net of applicable income taxes. If the Company intends to sell the security or it is more likely than not to be required to sell the security before recovery of the amortized cost basis, the security is written down to fair value with the entire amount recognized in earnings. Subsequently, the Company accounts for the debt security as if the security had been purchased on the measurement date of the write down at an amortized cost basis equal to the previous amortized cost basis less the amount of the write down recognized in earnings. Realized gains and losses on the sales of investment securities are determined using the specific identification method.

Loans and leases

The Company's accounting methods for loans depend on whether the loans were originated or acquired by the Company.

Originated loans and leases

Loan fees and certain direct loan origination costs are deferred and recognized as an interest yield adjustment over the life of the loan. Net deferred fees have been included in unearned discount as a reduction of loans outstanding. Interest income on loans is accrued on a level yield method. Loans are placed on nonaccrual status and previously accrued interest thereon is charged against income when it is probable that the Company will be unable to collect all amounts according to the contractual terms of the loan agreement or when principal or interest is delinquent 90 days. Certain loans greater than 90 days delinquent continue to accrue interest if they are well-secured and in the process of collection. Loans less than 90 days delinquent are deemed to have an insignificant delay in payment and generally continue to accrue interest. Interest received on loans placed on nonaccrual status is generally applied

to reduce the carrying value of the loan or, if principal is considered fully collectable, recognized as interest income. Nonaccrual commercial and industrial loans and commercial real estate loans are returned to accrual status when borrowers have demonstrated an ability to repay their loans and there are no delinquent principal and interest payments. Loans secured by residential real estate are returned to accrual status when they are deemed to have an insignificant delay in payments of 90 days or less. Consumer loans not secured by residential real estate are returned to accrual status when all past due principal and interest payments have been paid by the borrower. Loan balances are charged-off when it becomes evident that such balances are not fully collectable. For commercial and industrial loans and commercial real estate loans, charge-offs are recognized after an assessment by credit personnel of the capacity and willingness of the borrower to repay, the estimated value of any collateral, and any other potential sources of repayment. A charge-off is recognized when, after such assessment, it becomes evident that the loan balance is not fully collectable. For loans secured by residential real estate, the excess of the loan balances over the net realizable value of the property collateralizing the loan is charged-off when the loan becomes 150 days delinquent. Consumer loans are generally charged-off when the loans are 91 to 180 days past due, depending on whether the loan is collateralized and the status of repossession activities with respect to such collateral.

During the normal course of business, the Company modifies loans to maximize recovery efforts from borrowers experiencing financial difficulty. Such loan modifications typically include payment deferrals and interest rate reductions but may also include other modified terms. Those modified loans may be considered nonaccrual if the Company does not expect to collect the contractual cash flows owed under the loan agreement. On January 1, 2023, the Company adopted amended guidance that eliminated the accounting guidance for troubled debt restructurings while expanding disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. The amended guidance also requires disclosure of current period gross charge-offs by year of origination. Prior to January 1, 2023, if the borrower was experiencing financial difficulty such that the Company did not expect to collect the contractual cash flows owed under the original loan agreement and a concession in loan terms was granted, the Company considered the loan modification as a troubled debt restructuring and such loans were classified as either nonaccrual or renegotiated loans.

Commitments to sell real estate loans are utilized by the Company to hedge the exposure to changes in fair value of real estate loans held for sale. The carrying value of hedged real estate loans held for sale recorded in the Consolidated Balance Sheet includes changes in estimated fair value during the hedge period, typically from the date of close through the sale date. Valuation adjustments made on these loans and commitments are included in "mortgage banking revenues" in the Consolidated Statement of Income.

Acquired loans and leases

Expected credit losses for PCD loans are initially recognized as an allowance for credit losses and are added to the purchase price to determine the amortized cost basis of the loans. Any non-credit discount or premium resulting from acquiring such loans is recognized as an adjustment to interest income over the remaining lives of the loans. Subsequent changes in the amount of expected credit losses on such loans are recognized in the allowance for credit losses in the same manner as originated loans. For all other acquired loans, the difference between the fair value and outstanding principal balance of the loans is recognized as an adjustment to interest income over the lives of those loans. Those loans are then accounted for in a manner that is similar to originated loans.

Allowance for credit losses

The allowance for credit losses is deducted from the amortized cost basis of financial assets to present the net carrying value at the amount that is expected to be collected over the contractual term of the asset considering relevant information about past events, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. In estimating expected losses in the loan and lease portfolio, borrower-specific financial data and macro-economic assumptions are utilized to project losses over a reasonable and supportable forecast period. Assumptions and judgment are applied to measure amounts and timing of expected future cash flows, collateral values and other factors used to determine the borrowers' abilities to repay obligations. Subsequent to the forecast period, the Company utilizes longer-term historical loss experience to estimate losses over the remaining contractual life of the loans.

Assets taken in foreclosure of defaulted loans

Assets taken in foreclosure of defaulted loans are primarily comprised of commercial and residential real property and are included in "accrued interest and other assets" in the Consolidated Balance Sheet. An in-substance repossession or foreclosure occurs and a creditor is considered to have received physical possession of real estate property collateralizing a mortgage loan upon either (i) the creditor obtaining legal title to the real estate property upon completion of a foreclosure or (ii) the borrower conveying all interest in the real estate property to the creditor to satisfy that loan through completion of a deed in lieu of foreclosure or through a similar legal agreement. Upon acquisition of assets taken in satisfaction of a defaulted loan, the excess of the remaining loan balance over the asset's estimated fair value less costs to sell is charged-off against the allowance for credit losses. Subsequent declines in value of the assets are recognized as "other costs of operations" in the Consolidated Statement of Income.

Premises and equipment

Premises and equipment are stated at cost less accumulated depreciation. Depreciation expense is computed principally using the straight-line method over the estimated useful lives of the assets.

Capitalized servicing rights

Capitalized servicing assets are included in "accrued interest and other assets" in the Consolidated Balance Sheet. Separately recognized servicing assets are initially measured at fair value. The Company uses the amortization method to subsequently measure servicing assets. Under that method, capitalized servicing assets are charged to expense in proportion to and over the period of estimated net servicing income.

To estimate the fair value of servicing rights, the Company considers market prices for similar assets and the present value of expected future cash flows associated with the servicing rights calculated using assumptions that market participants would use in estimating future servicing income and expense. Such assumptions include estimates of the cost of servicing loans, loan default rates, an appropriate discount rate, and prepayment speeds. For purposes of evaluating and measuring impairment of capitalized servicing rights, the Company stratifies such assets based on the predominant risk characteristics of the underlying financial instruments that are expected to have the most impact on projected prepayments, cost of servicing and other factors affecting future cash flows associated with the servicing rights. Such factors may include financial asset or loan type, note rate and term. The amount of impairment recognized is the amount by which the carrying value of the capitalized servicing rights for a stratum exceeds estimated fair value. Impairment is recognized through a valuation allowance.

Sales and securitizations of financial assets

Transfers of financial assets for which the Company has surrendered control of the financial assets are accounted for as sales. Interests in a sale of financial assets that continue to be held by the Company, including servicing rights, are initially measured at fair value. The fair values of retained debt securities are generally determined through reference to independent pricing information. The fair values of retained servicing rights and any other retained interests are determined based on the present value of expected future cash flows associated with those interests and by reference to market prices for similar assets.

Securitization structures and other financial vehicles oftentimes require the use of special-purpose trusts that are considered variable interest entities. A variable interest entity is included in the consolidated financial statements if the Company has the power to direct the activities that most significantly impact the variable interest entity's economic performance and has the obligation to absorb losses or the right to receive benefits of the variable interest entity that could potentially be significant to that entity. The recognition or de-recognition in the Company's consolidated financial statements of assets and liabilities held by variable interest entities is subject to the interpretation and application of complex accounting pronouncements or interpretations that require management to estimate and assess the relative significance of the Company's financial interests in those entities and the degree to which the Company can influence the most important activities of the entities.

Goodwill and core deposit and other intangible assets

Goodwill represents the excess of the cost of an acquired entity over the fair value of the identifiable net assets acquired. Goodwill is not amortized, but rather is tested for impairment at least annually at the reporting unit level, which is either at the same level or one level below an operating segment. Other acquired intangible assets with finite lives, such as core deposit intangibles, are initially recorded at estimated fair value and are amortized over their estimated lives. Core deposit and other intangible assets are generally amortized using accelerated methods over estimated useful lives, which are generally three to seven years. The Company periodically assesses whether events or changes in circumstances indicate that the carrying amounts of core deposit and other intangible assets may be impaired.

Derivative financial instruments

The Company accounts for derivative financial instruments at fair value. If certain conditions are met, a derivative may be specifically designated as (i) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, (ii) a hedge of the exposure to variable cash flows of a forecasted transaction or (iii) a hedge of the foreign currency exposure of a net investment in a foreign operation, an unrecognized firm commitment, an available-for-sale security, or a foreign currency denominated forecasted transaction.

The Company utilizes interest rate swap agreements as part of the management of interest rate risk to modify the repricing characteristics of certain portions of its portfolios of earning assets and interest-bearing liabilities. For such agreements, amounts receivable or payable are recognized as accrued under the terms of the agreement and the net differential is recorded as an adjustment to interest income or expense of the related asset or liability. Interest rate swap agreements may be designated as either fair value hedges or cash flow hedges. In a fair value hedge, the fair values of the interest rate swap agreements and changes in the fair values of the hedged items are recorded in the Company's Consolidated Balance Sheet with the corresponding gain or loss recognized in current earnings. The difference between changes in the fair values of interest rate swap agreements and the hedged items represents hedge ineffectiveness and is recorded in the same income statement line item that is used to present the earnings effect of the hedged item in the Consolidated Statement of Income. In a cash flow hedge, the derivative's unrealized gain or loss is initially recorded as a component of other

comprehensive income and subsequently reclassified into earnings when the forecasted transaction affects earnings.

The Company utilizes commitments to sell real estate loans to hedge the exposure to changes in the fair value of real estate loans held for sale. Commitments to originate real estate loans to be held for sale and commitments to sell real estate loans are generally recorded in the Consolidated Balance Sheet at estimated fair value. Valuation adjustments made on these commitments are included in "mortgage banking revenues" in the Consolidated Statement of Income.

Derivative instruments not related to mortgage banking activities, including financial futures commitments and interest rate swap agreements, that do not satisfy the hedge accounting requirements are recorded at fair value and are generally classified as other assets or other liabilities with resultant changes in fair value being recognized in "trading account and other non-hedging derivative gains" in the Consolidated Statement of Income.

Revenue from contracts with customers

A significant amount of the Company's revenues are derived from net interest income on financial assets and liabilities, mortgage banking revenues, trading account and other non-hedging derivative gains, investment securities gains, loan and letter of credit fees, income from bank-owned life insurance, and certain other revenues that are generally excluded from the scope of accounting guidance for revenue from contracts with customers. For other noninterest income revenue streams, the Company generally recognizes the expected amount of consideration as revenue when the performance obligations related to the services under the terms of a contract are satisfied. The Company's contracts generally do not contain terms that necessitate significant judgment to determine the amount of revenue to recognize.

Stock-based compensation

Compensation expense is recognized over the vesting period of stock-based awards based on estimated grant date value, except that the recognition of compensation costs is accelerated for stock-based awards granted to retirement-eligible employees and employees who will become retirement-eligible prior to full vesting of the award because the Company's incentive compensation plan allows for vesting at the time an employee retires.

Income taxes

Deferred tax assets and liabilities are recognized for the future tax effects attributable to differences between the financial statement value of existing assets and liabilities and their respective tax bases and carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates and laws.

The Company evaluates uncertain tax positions using the two-step process required by GAAP. The first step requires a determination of whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Under the second step, a tax position that meets the more-likely-than-not recognition threshold is measured at the largest amount of benefit that is greater than

fifty

percent likely of being realized upon ultimate settlement.

The Company accounts for its investments in qualified affordable housing projects using the proportional amortization method. Under that method, the Company amortizes the initial cost of the investment in proportion to the tax credits and other tax benefits received and recognizes the net investment performance in the income statement as a component of income tax expense.

Earnings per common share

Basic earnings per common share exclude dilution and are computed by dividing income available to common shareholders by the weighted-average number of common shares outstanding (exclusive of shares represented by the unvested portion of restricted stock and restricted stock unit grants) and common shares issuable under deferred compensation arrangements during the period. Diluted earnings per common share reflect shares represented by the unvested portion of restricted stock and restricted stock unit grants and the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in earnings. Proceeds assumed to have been received on such exercise or conversion are assumed to be used to purchase shares of M&T common stock at the average market price during the period, as required by the "treasury stock method" of accounting.

GAAP requires that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) shall be considered participating securities and shall be included in the computation of earnings per common share pursuant to the two-class method. The Company has issued stock-based compensation awards in the form of restricted stock and restricted stock units that contain such rights and, accordingly, the Company's earnings per common share are calculated using the two-class method.

Treasury stock

Repurchases of shares of M&T common stock are recorded at cost as a reduction of shareholders' equity. Reissuances of shares of treasury stock are recorded at average cost.

2. Acquisition and divestitures

Acquisition

On April 1, 2022, M&T completed the acquisition of People's United. Through subsidiaries, People's United provided commercial banking, retail banking and wealth management services to individual, corporate and municipal customers through a network of branches located in Connecticut, southeastern New York, Massachusetts, Vermont, New Hampshire and Maine. Following the merger, People's United Bank, National Association, a national banking association and a wholly owned subsidiary of People's United, merged with and into M&T Bank, the principal banking subsidiary of M&T, with M&T Bank as the surviving entity. The results of operations acquired from People's United have been included in the Company's financial results since April 1, 2022.

Pursuant to the terms of the merger agreement dated February 22, 2021, People's United shareholders received consideration valued at

.118

of an M&T common share in exchange for each common share of People's United. The purchase price totaled approximately \$

8.4

billion (with the price based on M&T's closing price of \$

164.66

per share as of April 1, 2022). M&T issued

50,325,004

common shares in completing the transaction. Additionally, People's United outstanding preferred stock was converted into new shares of Series H Preferred Stock of M&T. The acquisition of People's United expanded the Company's geographical footprint and management expects the Company will benefit from greater geographical diversity and the advantages of scale associated with a larger company.

The People's United transaction has been accounted for using the acquisition method of accounting and, accordingly, assets acquired, liabilities assumed and preferred stock converted were recorded at estimated fair value on the acquisition date. The consideration paid for People's United common equity and the preliminary amounts of identifiable assets acquired, liabilities assumed and preferred stock converted as of the acquisition date follows.

(Dollars in millions)

Consideration:

Common stock issued (	
50,325,004	
shares)	
	\$
	8,286

Common stock awards converted	105
Cash	2

Total consideration	8,393

Net assets acquired:

Identifiable assets:

Cash and due from banks	396
Interest-bearing deposits at banks	9,193

Investment securities	11,575
Loans and leases	35,841

Core deposit and other intangible assets	261
Other assets	2,979

Total identifiable assets acquired	60,245
Liabilities and preferred stock:	

Deposits	52,968
Borrowings	1,389

Other liabilities	1,142
Total liabilities assumed	55,499

Preferred stock	261
Total liabilities and preferred stock	55,760

Net assets acquired

Goodwill

\$

3,908

The following is a description of the methodologies used to estimate the fair values of the significant assets acquired, liabilities assumed and preferred stock converted at the acquisition date:

Cash and due from banks and interest-bearing deposits in banks: Given the short-term nature of these assets, the carrying amount was determined to be a reasonable estimate of fair value.

Investment securities: Investment securities have been determined using quoted market prices, if available. If quoted market prices were not available, investment securities were valued by reference to quoted prices for similar securities or through model-based techniques.

Loans and leases: The fair values of loans and leases were generally based on a discounted cash flow methodology that considered market interest rates, expected credit losses, prepayment assumptions and other market factors for loans with similar characteristics including loan type, collateral, fixed or variable interest rate and credit risk characteristics. Expected credit losses were determined based on credit characteristics and other factors such as default and recovery rates of similar products.

Core deposit and other intangible assets: The core deposit intangible asset represents the value of certain customer deposit relationships. The fair value of the core deposit intangible asset was based on a discounted cash flow methodology that considered expected customer attrition rates, costs associated with maintaining the deposit relationships and alternative funding costs. Other intangible assets were also valued using expected and contractual cash flows.

Deposits: The fair value of deposits with no maturity date was determined to be the amount payable on demand at the acquisition date. The fair value of time deposits was determined by discounting contractual cash flows using market interest rates for instruments with like remaining maturities.

Borrowings: The fair value of borrowings was determined using quoted market prices for the instrument, if available. If quoted market prices for the instrument were not available, similar instruments with quoted market prices were referenced.

Preferred stock: The fair value of preferred stock converted was determined using quoted market prices.

GAAP requires loans and leases obtained through an acquisition that have experienced a more-than-insignificant deterioration in credit quality since origination be considered PCD. The Company considered several factors in the determination of PCD loans, including loan grades assigned to acquired commercial loans and leases and commercial real estate loans utilizing the Company's loan grading system and delinquency status and history for acquired loans backed by residential real estate. For PCD loans and leases, the initial estimate of expected credit losses of \$

99

million was established through an adjustment to increase both the initial carrying value and allowance for credit losses. GAAP also provides that an allowance for credit losses on loans acquired, but not classified as PCD, also be recognized above and beyond the impact of forecasted losses used in determining fair value. Accordingly, the Company recorded \$

242

million of provision for credit losses for non-PCD acquired loans and leases at the acquisition date. The following table reconciles the unpaid principal balance to the fair value of loans and leases at April 1, 2022:

(Dollars in millions)	PCD	Non-PCD
Unpaid principal balance	3,411	32,896
	\$ (a) \$	
Allowance for credit losses at acquisition	(99)	—
	(a)	
Other discount	(107)	(260)
	(b)	
Fair value	\$ 3,205	\$ 32,636

(a) The unpaid principal balance and allowance for credit losses at acquisition is net of charge-offs of \$

33

million recognized on the PCD loans.

(b) Includes approximately \$

242

million of principal balances not expected to be collected.

In connection with the acquisition, the Company recorded approximately \$

3.9

billion of goodwill, which represents the excess of the purchase price over the fair value of the net assets acquired, and \$

261

million of core deposit and other intangible assets. The core deposit and other intangible assets are being amortized over periods of three to seven years. Information regarding the allocation of goodwill to the Company's reportable segments, as well as the carrying amounts and amortization of core deposit and other intangible assets, is provided in note 8.

Due to the integration of People's United operating systems and activities with those of the Company, the Company's ability to report on the former operations of People's United is inherently limited. The Company estimates that included in the Consolidated Statement of Income from the acquisition date through December 31, 2022 are total revenues of approximately \$

1.6

billion and net income of approximately \$

165

million related to the acquisition of People's United.

The following table presents certain pro forma information as if People's United had been acquired on January 1, 2021. These results combine the historical results of People's United into the Company's Consolidated Statement of Income and, while adjustments were made for the estimated impact of certain fair valuation adjustments and other acquisition-related activity, they are not indicative of what would have occurred had the acquisition taken place as indicated. For example, merger-related expenses noted below are included in the periods where such expenses were incurred. Additionally, the Company expects to achieve operating cost savings and other business synergies as a result of the acquisition which are not reflected in the pro forma amounts that follow:

(Dollars in millions)	2022	2021
Total revenues (a)	\$ 8,631	\$ 8,076

Net income	2,158	2,391

(a)Represents the total of net interest income and other income.

In connection with the People's United acquisition, the Company incurred merger-related expenses related to systems conversions and other costs of integrating and conforming acquired operations with and into the Company. Those expenses consisted largely of professional services, temporary help fees and other costs associated with actual or planned systems conversions and/or integration of operations and the introduction of the Company to its new customers; costs related to termination of existing contractual arrangements for various services; initial marketing and promotion expenses designed to introduce M&T Bank to its new customers; severance (for former People's United employees); and other costs of completing the transaction and commencing operations in new markets and offices. The Company did

not incur any People's United merger-related expenses during 2023. A summary of merger-related expenses included in the Consolidated Statement of Income in 2022 and 2021 follows.

(Dollars in millions)	2022	2021
Salaries and employee benefits	\$ 102	\$ —
Equipment and net occupancy	7	—
Outside data processing software	5	1
Professional and other services	72	37
Advertising and marketing	9	1
Other cost of operations	143	5
Other expense	\$ 338	\$ 44

The Company also recognized a \$

242 million provision for credit losses on acquired loans that were not deemed to be PCD on April 1, 2022. GAAP requires that acquired loans be recorded at estimated fair value, which includes the use of interest rate and expected credit loss assumptions to forecast estimated cash flows. GAAP also provides that an allowance for credit losses on loans acquired, but not classified as PCD also be recognized above and beyond the impact of forecasted losses used in determining the fair value of acquired loans. Accordingly, the Company recorded a \$

242 million provision for credit losses related to such loans obtained in the People's United transaction.

Divestitures

On April 29, 2023, Wilmington Trust, N.A., a wholly owned subsidiary of M&T, sold its CIT business to a private equity firm. The transaction resulted in a pre-tax gain of \$

225 million (\$

157 million after-tax effect) that has been included in "other revenues from operations" in the Consolidated Statement of Income for the year ended December 31, 2023. Prior to the sale, the CIT business contributed \$

60 million, \$

165 million and \$

151

million to trust income in 2023, 2022 and 2021, respectively. After considering expenses, the results of operations from the CIT business were not material to the Company's consolidated results of operations in any of those years.

On October 31, 2022, M&T Bank sold MTIA, a wholly owned insurance agency subsidiary of M&T Bank, to Arthur J. Gallagher & Co. The Company recognized a pre-tax gain on the sale of \$

136
million (\$

98
million after-tax effect) that has been included in "other revenue from operations" in the Consolidated Statement of Income for the year ended December 31, 2022. MTIA had assets of \$

18
million and shareholders' equity of \$

6
million at the time of the divestiture. Prior to the sale, MTIA recorded revenues of \$

34
million in 2022 and \$

37
million in 2021. After considering expenses, the results of operations from MTIA were not material to the Company's consolidated results of operations in each of 2022 and 2021.

3. Investment securities

The amortized cost and estimated fair value of investment securities were as follows:

(Dollars in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
December 31, 2023				
Investment securities available for sale:				
U.S. Treasury and federal agencies	7,818	—	113	7,705
	\$	\$	\$	\$
Mortgage-backed securities:				
Government issued or guaranteed:				
Commercial	425	—	9	416
Residential	2,272	—	118	2,154
Other debt securities	176	—	11	165
	10,691	—	251	10,440
Investment securities held to maturity:				
U.S. Treasury and federal agencies	1,005	—	31	974
Obligations of states and political subdivisions	2,501	—	67	2,434
Mortgage-backed securities:				
Government issued or guaranteed:				
Commercial	2,033	—	130	1,903
Residential	9,747	4	802	8,949
Privately issued	42	9	5	46
Other debt securities	2	—	—	2
	15,330	13	1,035	14,308
Total debt securities	26,021	13	1,286	24,748
	\$	\$	\$	\$
Equity and other securities:				
Readily marketable equity — at fair value	266	5	3	268
	\$	\$	\$	\$
Other — at cost	859	—	—	859

Total equity and other securities

	1,125	5	3	1,127
	\$	\$	\$	\$
December 31, 2022				
Investment securities available for sale:				
U.S. Treasury and federal agencies				
	7,914	—	243	7,671
	\$	\$	\$	\$
Mortgage-backed securities:				
Government issued or guaranteed:				
Commercial				
	595	—	21	574
Residential				
	2,501	—	171	2,330
Other debt securities				
	183	1	10	174
	11,193	1	445	10,749
Investment securities held to maturity:				
U.S. Treasury and federal agencies				
	1,054	—	46	1,008
Obligations of states and political subdivisions				
	2,577	—	117	2,460
Mortgage-backed securities:				
Government issued or guaranteed:				
Commercial				
	912	—	103	809
Residential				
	8,935	1	891	8,045
Privately issued				
	50	9	8	51
Other debt securities				
	2	—	—	2
	13,530	10	1,165	12,375
Total debt securities				
	24,723	11	1,610	23,124
	\$	\$	\$	\$
Equity and other securities:				
Readily marketable equity — at fair value				
	153	2	4	151
	\$	\$	\$	\$
Other — at cost				
	781	—	—	781
Total equity and other securities				
	934	2	4	932
	\$	\$	\$	\$

No investment in securities of a single non-U.S. Government, government agency or government guaranteed issuer exceeded ten percent of shareholders' equity at December 31, 2023.

As of December 31, 2023, the latest available investment ratings of all obligations of states and political subdivisions, privately issued mortgage-backed securities and other debt securities were:

(Dollars in millions)	Average Credit Rating of Fair Value Amount						
	Amortized Cost	Estimated Fair Value	A or Better	BBB	BB	B or Less	Not Rated
Obligations of states and political subdivisions	2,501	2,434	2,426	1	—	—	7
	\$	\$	\$	\$	\$	\$	\$
Privately issued mortgage-backed securities	42	46	—	—	—	1	45
Other debt securities	178	167	8	73	31	—	55

There were

no

significant gross realized gains or losses from sales of investment securities in 2023, 2022 or 2021.

At December 31, 2023, the amortized cost and estimated fair value of debt securities by contractual maturity were as follows:

(Dollars in millions)	Amortized Cost	Estimated Fair Value
Debt securities available for sale:		
Due in one year or less	5,023	4,970
	\$	\$
Due after one year through five years	2,921	2,856
Due after five years through ten years	50	44
Due after ten years	—	—
	7,994	7,870
Mortgage-backed securities	2,697	2,570
	10,691	10,440
	\$	\$
Debt securities held to maturity:		
Due in one year or less	15	14
	\$	\$
Due after one year through five years	1,179	1,147

Due after five years through ten years	1,351	1,327
Due after ten years	963	922
	3,508	3,410
Mortgage-backed securities	11,822	10,898
	<u>\$ 15,330</u>	<u>\$ 14,308</u>

A summary of investment securities that as of December 31, 2023 and 2022 had been in a continuous unrealized loss position for less than twelve months and those that had been in a continuous unrealized loss position for twelve months or longer follows:

	Less Than 12 Months		12 Months or More	
(Dollars in millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2023				
Investment securities available for sale:				
U.S. Treasury and federal agencies	\$ 229	\$ 1	\$ 7,474	\$ 112
Mortgage-backed securities:				
Government issued or guaranteed:				
Commercial	74	1	330	8
Residential	151	2	1,959	116
Other debt securities	6	—	154	11
	460	4	9,917	247
Investment securities held to maturity:				
U.S. Treasury and federal agencies	50	—	924	31
Obligations of states and political subdivisions	218	3	2,172	64
Mortgage-backed securities:				
Government issued or guaranteed:				
Commercial	328	9	1,575	121
Residential	955	11	7,139	791
Privately issued	—	—	34	5
	1,551	23	11,844	1,012
Total	\$ 2,011	\$ 27	\$ 21,761	\$ 1,259
December 31, 2022				
Investment securities available for sale:				
U.S. Treasury and federal agencies	\$ 6,707	\$ 184	\$ 842	\$ 59

Mortgage-backed securities:

Government issued or guaranteed:

Commercial	574	21	—	—
Residential	2,296	169	29	2

Other debt securities	93	4	73	6
	9,670	378	944	67

Investment securities held to maturity:

U.S. Treasury and federal agencies	1,008	46	—	—

Obligations of states and political subdivisions	2,449	117	—	—

Mortgage-backed securities:

Government issued or guaranteed:

Commercial	809	103	—	—
Residential	6,293	619	1,319	272
Privately issued	—	—	36	8
	10,559	885	1,355	280

Total	\$ 20,229	\$ 1,263	\$ 2,299	\$ 347

The Company owned

4,022
individual debt securities with aggregate gross unrealized losses of \$

1.3

billion at December 31, 2023. Based on a review of each of the securities in the investment securities portfolio at December 31, 2023, the Company concluded that it expected to recover the amortized cost basis of its investment. As of December 31, 2023, the Company does not intend to sell nor is it anticipated that it would be required to sell any of its impaired investment securities at a loss.

At December 31, 2023, the Company has not identified events or changes in circumstances which may have a significant adverse effect on the fair value of the \$

859
million of cost method investment securities.
The Company estimated

no

material allowance for credit losses for its investment securities classified as held-to-maturity at December 31, 2023 or December 31, 2022.

At December 31, 2023 and 2022, investment securities with carrying values of \$

8.2
billion (including \$

393
million related to repurchase transactions) and \$

7.9
billion (including \$

567
million related to repurchase transactions), respectively, were pledged to secure borrowings, lines of credit and governmental deposits as described in note 9.

4. Loans and leases

Total loans and leases outstanding were comprised of the following:

(Dollars in millions)	December 31,	
	2023	2022
Loans:		
Commercial and industrial	\$ 55,000	\$ 49,775
Commercial real estate	33,065	35,364
Residential real estate	23,277	23,774
Consumer	20,780	20,579
Total loans	132,122	129,492
Leases:		
Commercial	2,814	2,582
Total loans and leases	134,936	132,074
Less: unearned discount	(868)	(510)

	134,068	131,564
	\$	\$
One-to-four family residential mortgage loans held for sale were \$		
190		
million at December 31, 2023 and \$		
32		
million at December 31, 2022. Commercial real estate loans held for sale were \$		
189		
million at December 31, 2023 and \$		
131		
million at December 31, 2022.		
The amount of foreclosed property held by the Company, predominantly consisting of residential real estate, was \$		
39		
million and \$		
41		
million at December 31, 2023 and 2022, respectively. There were \$		
170		
million and \$		
201		
million at December 31, 2023 and 2022, respectively, in loans secured by residential real estate that were in the process of foreclosure. Of all loans in the process of foreclosure at December 31, 2023, approximately		
35		
% were government guaranteed.		
Borrowings by directors and certain officers of M&T and its banking subsidiaries, and by associates of such persons, exclusive of loans aggregating less than \$60,000, amounted to \$		
116		
million and \$		
102		
million at December 31, 2023 and 2022, respectively. During 2023, new borrowings by such persons amounted to \$		
49		
million (including any borrowings of new directors or officers that were outstanding at the time of their election) and repayments and other reductions (including reductions resulting from individuals ceasing to be directors or officers) were \$		
35		
million.		
At December 31, 2023, approximately \$		
13.4		
billion of commercial and industrial loans, including leases, \$		
16.4		
billion of commercial real estate loans, \$		
18.8		
billion of one-to-four family residential real estate loans, \$		
2.6		
billion of home equity loans and lines of credit and \$		
11.0		
billion of other consumer loans were pledged to secure outstanding borrowings and available lines of credit from the FHLB and the FRB of New York as described in note 9. Additionally, at December 31, 2023, approximately \$		
599		
million of equipment finance loans and leases remain in a special purpose trust as collateral for certain asset-backed notes issued by M&T Bank in August 2023 as further described in notes 9 and 20.		

A summary of current, past due and nonaccrual loans as of December 31, 2023 and 2022 follows:

(Dollars in millions) December 31, 2023	Current	30-89 Days Past Due	Accruing Loans Past Due 90 Days or More	Nonaccrual	Total
Commercial and industrial					
	\$ 56,091	\$ 238	\$ 11	\$ 670	\$ 57,010
Real estate:					
Commercial					
	24,072	311	25	869	25,277
Residential builder and developer					
	1,065	5	—	3	1,073
Other commercial construction					
	6,322	159	1	171	6,653
Residential					
	21,080	763	295	215	22,353
Residential — limited documentation					
	825	31	—	55	911
Consumer:					
Home equity lines and loans					
	4,528	40	—	81	4,649
Recreational finance					
	9,935	87	—	36	10,058
Automobile					
	3,918	60	—	14	3,992
Other					
	2,003	30	7	52	2,092
Total					
	\$ 129,839	\$ 1,724	\$ 339	\$ 2,166	\$ 134,068
December 31, 2022					
Commercial and industrial					
	\$ 50,842	\$ 498	\$ 76	\$ 504	\$ 51,920
Real estate:					
Commercial					
	25,113	261	65	1,240	26,679

Residential builder and developer					
	1,305	9	—	1	1,315
Other commercial construction					
	6,937	240	—	125	7,302
Residential					
	21,492	596	345	272	22,705
Residential — limited documentation					
	951	22	—	78	1,051
Consumer:					
Home equity lines and loans					
	4,891	31	—	85	5,007
Recreational finance					
	8,974	55	—	45	9,074
Automobile					
	4,393	44	—	40	4,477
Other					
	1,957	23	5	49	2,034
Total					
	<u>\$ 126,855</u>	<u>\$ 1,779</u>	<u>\$ 491</u>	<u>\$ 2,439</u>	<u>\$ 131,564</u>

Loan modifications

During the normal course of business, the Company modifies loans to maximize recovery efforts from borrowers experiencing financial difficulty. Such loan modifications typically include payment deferrals and interest rate reductions but may also include other modified terms. Those modified loans may be considered nonaccrual if the Company does not expect to collect the contractual cash flows owed under the loan agreement. On January 1, 2023, the Company adopted amended guidance that eliminated the accounting guidance for troubled debt restructurings while expanding disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. The amended guidance also requires disclosure of current period gross charge-offs by year of origination.

The table that follows summarizes the Company's loan modification activities to borrowers experiencing financial difficulty for the year ended December 31, 2023:

(Dollars in millions) Year Ended December 31, 2023	Amortized cost at December 31, 2023				Total (b) (c)	Percent of Total Loan Class
	Payment Deferral	Interest Rate Reduction	Other	Combination of Modification Types (a)		
Commercial and industrial	179	18	—	1	198	.35
	\$	\$	\$	\$	\$	%
Real estate:						
Commercial	610	—	—	41	651	2.57
Residential builder and developer	71	—	—	—	71	6.63
Other commercial construction	480	—	—	8	488	7.34
Residential	160	—	—	5	165	.74
Residential — limited documentation	11	—	—	1	12	1.25
Consumer:						
Home equity lines and loans	—	—	—	1	1	.03
Recreational finance	—	—	—	—	—	—
Automobile	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total	1,511	18	—	57	1,586	1.18
	\$	\$	\$	\$	\$	%

(a) Predominantly payment deferrals combined with interest rate reductions.

(b) Includes approximately \$

124

million of loans guaranteed by government-related entities (predominantly first lien residential mortgage loans).

(c) Excludes unfunded commitments to extend credit totaling \$

128

million.

The financial effects of the modifications for the year ended December 31, 2023 include an increase in the weighted-average remaining term for commercial and industrial loans of 1.3 years, for commercial real estate loans, inclusive of residential builder and development loans and other commercial construction loans, of 1.1 years and for residential real estate loans, of 10.6 years.

Modified loans to borrowers experiencing financial difficulty are subject to the allowance for credit losses methodology described herein, including the use of models to inform credit loss estimates and, to the extent larger balance commercial and industrial and commercial real estate loans are in nonaccrual status, a loan-by-loan analysis of expected credit losses on those individual loans. The following table summarizes the payment status, at December 31, 2023, of loans that were modified during 2023.

(Dollars in millions) Year Ended December 31, 2023	Payment status at December 31, 2023 (amortized cost)			Total
	Current	30-89 Days Past Due	Past Due 90 Days or More (a)	

Commercial and industrial				
	182	7	9	198
	\$	\$	\$	\$
Real estate:				
Commercial				
	618	21	12	651
Residential builder and developer				
	71	—	—	71
Other commercial construction				
	440	48	—	488
Residential (b)				
	93	45	27	165
Residential — limited documentation				
	9	2	1	12
Consumer:				
Home equity lines and loans				
	1	—	—	1
Recreational finance	—	—	—	—
Automobile	—	—	—	—
Other	—	—	—	—
Total				
	1,414	123	49	1,586
	\$	\$	\$	\$

(a) Predominantly loan modifications with payment deferrals.

(b) Includes loans guaranteed by government-related entities classified as 30-89 days past due of \$

40
million and as past due 90 days or more of \$

24
million.

Prior to January 1, 2023, if a borrower was experiencing financial difficulty such that the Company did not expect to collect the contractual cash flows owed under the original loan agreement and a concession in loan terms was granted, the Company considered the loan modification as a troubled debt restructuring. The table that follows summarizes the Company's loan modification activities that were considered troubled debt restructurings for the years ended December 31, 2022 and 2021. The table is not comparative to the preceding table. The Company no longer designates modified loans as a troubled debt restructuring in conjunction with the adoption of amended accounting guidance on January 1, 2023.

(Dollars in millions)	Number	Pre-modificati on Recorded Investment	Post-modification (a)				Total
			Principal Deferral	Interest Rate Reduction	Other	Combinati on of Concessio n Types	
<u>Year Ended December 31, 2022</u>							
Commercial and industrial							
	231	98	58	—	3	37	98
		\$	\$	\$	\$	\$	\$
Real estate:							
Commercial							
	12	25	9	—	—	16	25
Residential builder and developer							
	1	—	—	—	—	—	—
Other commercial construction							
	1	—	—	—	—	—	—
Residential							
	274	71	55	—	—	20	75
Residential — limited documentation							
	8	1	1	—	—	—	1
Consumer:							
Home equity lines and loans							
	144	10	9	—	—	1	10
Recreational finance							
	729	28	28	—	—	—	28
Automobile							
	2,092	42	42	—	—	—	42
Other							
	149	1	1	—	—	—	1
Total							
	3,641	276	203	—	3	74	280
		\$	\$	\$	\$	\$	\$
<u>Year Ended December 31, 2021</u>							
Commercial and industrial							
	348	205	58	—	45	99	202
		\$	\$	\$	\$	\$	\$

Real estate:							
Commercial							
	35	184	57	—	27	98	182
Residential builder and developer							
	1	—	—	—	—	—	—
Other commercial construction							
	3	—	—	—	—	—	—
Residential							
	373	108	95	—	—	13	108
Residential — limited documentation							
	21	3	3	—	—	—	3
Consumer:							
Home equity lines and loans							
	89	6	6	—	—	—	6
Recreational finance							
	281	10	10	—	—	—	10
Automobile							
	807	15	15	—	—	—	15
Other							
	362	3	3	—	—	—	3
Total							
	2,320	534	247	—	72	210	529
	<u> </u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>

(a) Financial effects impacting the recorded investment included principal payments or advances, charge-offs and capitalized escrow arrearages. The present value of interest rate concessions, discounted at the effective rate of the original loan, was not material.

The Company's loan and lease portfolio includes commercial lease financing receivables for construction and industrial equipment and machinery, railroad cars, commercial trucks and trailers, and aircraft. Certain leases contain payment schedules that are tied to variable interest rate indices. In general, early termination options are provided if the lessee is not in default, returns the leased equipment and pays an early termination fee. Additionally, options to purchase the underlying asset by the lessee are generally at the fair market value of the equipment. A summary of lease financing receivables follows.

(Dollars in millions)	December 31,	
	2023	2022
Commercial leases:		
Financing:		
Lease payments receivable	\$ 2,431	\$ 2,175
Estimated residual value of leased assets	274	262
Unearned income	(248)	(145)
Investment in financing leases	2,457	2,292
Leveraged:		
Lease payments receivable	57	71
Estimated residual value of leased assets	52	74
Unearned income	(15)	(22)
Investment in leveraged leases	94	123
Total investment in leases	\$ 2,551	\$ 2,415
Deferred taxes payable arising from leveraged leases	\$ 36	\$ 52

Included within the estimated residual value of leased assets at December 31, 2023 and 2022 were \$

96
million and \$

93
million, respectively, in residual value associated with financing leases that are guaranteed by the lessees or others.

At December 31, 2023, the minimum future lease payments to be received from lease financings were as follows:

(Dollars in millions)	
Year ending December 31:	
2024	823
	\$
2025	677

2026	468
2027	290
2028	136
Later years	94
	<u><u>\$ 2,488</u></u>

5. Allowance for credit losses

For purposes of determining the level of the allowance for credit losses, the Company evaluates its loan and lease portfolios by type. Changes in the allowance for credit losses for the years ended December 31, 2023, 2022 and 2021 were as follows:

(Dollars in millions)	Commercial and industrial	Commercial	Real Estate Residential	Consumer	Total
2023					
Beginning balance	\$ 568	\$ 611	\$ 115	\$ 631	\$ 1,925
Provision for credit losses	132	394	4	115	645
Net charge-offs:					
	(	(	(	(	(
Charge-offs	132)	253)	10)	175)	570)
Recoveries	52	12	7	58	129
	(	(	(	(	(
Net charge-offs	80)	241)	3)	117)	441)
Ending balance	\$ 620	\$ 764	\$ 116	\$ 629	\$ 2,129
2022					
Beginning balance	\$ 335	\$ 506	\$ 72	\$ 556	\$ 1,469
Allowance on acquired PCD loans	48	49	2	—	99
Provision for credit losses (a)	244	93	43	137	517
Net charge-offs:					
	(	(	(	(	(
Charge-offs (b)	119)	60)	12)	112)	303)
Recoveries	60	23	10	50	143
	(	(	(	(	(
Net charge-offs	59)	37)	2)	62)	160)
Ending balance	\$ 568	\$ 611	\$ 115	\$ 631	\$ 1,925
2021					
Beginning balance	\$ 469	\$ 607	\$ 104	\$ 556	\$ 1,736
Provision for credit losses	(	(	(	(	(
	58)	25)	30)	38)	75)
Net charge-offs:					
Charge-offs	(	(	(	(	(
	124)	100)	11)	103)	338)

	48	24	9	65	146
Net charge-offs	(	(	(	(	(
	76	76	2	38	192
	)	)	)	)	)
Ending balance					
	335	506	72	556	1,469
	\$	\$	\$	\$	\$

(a) Includes \$

242

million related to non-PCD acquired loans recorded on April 1, 2022.

(b) For the year ended December 31, 2022, net charge-offs do not reflect \$

33

million of charge-offs related to PCD loans acquired on April 1, 2022.

Despite the allocation in the preceding tables, the allowance for credit losses is general in nature and is available to absorb losses from any loan or lease type. In determining the allowance for credit losses, accruing loans with similar risk characteristics are generally evaluated collectively. The Company utilizes statistically developed models to project principal balances over the remaining contractual lives of the loan portfolios and to determine estimated credit losses through a reasonable and supportable forecast period. Individual loan credit quality indicators, including loan grade and borrower repayment performance, can inform the models, which have been statistically developed based on historical correlations of credit losses with prevailing economic metrics, including unemployment, GDP and real estate prices. Model forecasts may be adjusted for inherent limitations or biases that have been identified through independent validation and back-testing of model performance to actual realized results. At each of December 31, 2023, 2022 and 2021, the Company utilized a reasonable and supportable forecast period of two years. Subsequent to this forecast period the Company reverted, ratably over a one-year period, to historical loss experience to inform its estimate of losses for the remaining contractual life of each portfolio. The Company also considered the impact of portfolio concentrations, changes in underwriting practices, product expansions into new markets, imprecision in its economic forecasts, geopolitical conditions and other risk factors that might influence its loss estimation process.

The Company also estimates losses attributable to specific troubled credits identified through both normal and targeted credit review processes. The amounts of specific loss components in the

Company's loan and lease portfolios are determined through a loan-by-loan analysis of larger balance commercial and industrial loans and commercial real estate loans that are in nonaccrual status. Such loss estimates are typically based on expected future cash flows, collateral values and other factors that may impact the borrower's ability to pay. To the extent that those loans are collateral-dependent, they are evaluated based on the fair value of the loan's collateral as estimated at or near the financial statement date. As the quality of a loan deteriorates to the point of classifying the loan as "criticized," the process of obtaining updated collateral valuation information is usually initiated, unless it is not considered warranted given factors such as the relative size of the loan, the characteristics of the collateral or the age of the last valuation. In those cases where current appraisals may not yet be available, prior appraisals are utilized with adjustments, as deemed necessary, for estimates of subsequent declines in values as determined by line of business and/or loan workout personnel. Those adjustments are reviewed and assessed for reasonableness by the Company's credit risk personnel. Accordingly, for real estate collateral securing larger nonaccrual commercial and industrial loans and commercial real estate loans, estimated collateral values are based on current appraisals and estimates of value. For non-real estate loans, collateral is assigned a discounted estimated liquidation value and, depending on the nature of the collateral, is verified through field exams or other procedures. In assessing collateral, real estate and non-real estate values are reduced by an estimate of selling costs.

For residential real estate loans, including home equity loans and lines of credit, the excess of the loan balance over the net realizable value of the property collateralizing the loan is charged-off when the loan becomes 150 days delinquent. That charge-off is based on recent indications of value from external parties that are generally obtained shortly after a loan becomes nonaccrual. Loans to consumers that file for bankruptcy are generally charged-off to estimated net collateral value shortly after the Company is notified of such filings. When evaluating individual home equity loans and lines of credit for charge off and for purposes of estimating losses in determining the allowance for credit losses, the Company gives consideration to the required repayment of any first lien positions related to collateral property.

Changes in the amount of the allowance for credit losses reflect the outcome of the procedures described herein, including the impact of changes in macroeconomic forecasts as compared with previous forecasts, as well as the impact of portfolio concentrations, imprecision in economic forecast, geopolitical conditions and other risk factors that might influence the loss estimation process.

The Company's reserve for off-balance sheet credit exposures was not material at December 31, 2023 and December 31, 2022.

Information with respect to loans and leases that were considered nonaccrual at the beginning and end of the reporting period and the interest income recognized on such loans for the years ended December 31, 2023, 2022 and 2021 follows.

	Amortized Cost with Allowance	Amortized Cost without Allowance	Total	Amortized Cost	Interest Income Recognized Year Ended December 31, 2023
(Dollars in millions)		December 31, 2023		January 1, 2023	
Commercial and industrial	397	273	670	504	22
	\$	\$	\$	\$	\$
Real estate:					
Commercial	288	581	869	1,240	29
Residential builder and developer	3	—	3	1	—
Other commercial construction	71	100	171	125	2
Residential	81	134	215	272	15
Residential — limited documentation	19	36	55	78	2
Consumer:					
Home equity lines and loans	42	39	81	85	7
Recreational finance	24	12	36	45	1
Automobile	9	5	14	40	—
Other	52	—	52	49	—
Total	986	1,180	2,166	2,439	78
	\$	\$	\$	\$	\$

		December 31, 2022		January 1, 2022	Year Ended December 31, 2022
(Dollars in millions)					
Commercial and industrial	212	292	504	371	26
	\$	\$	\$	\$	\$
Real estate:					
Commercial	366	874	1,240	919	14
Residential builder and developer	1	—	1	3	2
Other commercial construction	59	66	125	111	4

Residential	147	125	272	356	25
Residential — limited documentation	48	30	78	123	1
Consumer:					
Home equity lines and loans	43	42	85	70	4
Recreational finance	37	8	45	28	1
Automobile	35	5	40	34	—
Other	49	—	49	45	—
Total	997	1,442	2,439	2,060	77
	\$	\$	\$	\$	\$

(Dollars in millions)	December 31, 2021		January 1, 2021		Year Ended December 31, 2021
Commercial and industrial	153	218	371	433	23
	\$	\$	\$	\$	\$
Real estate:					
Commercial	199	720	919	650	5
Residential builder and developer	1	2	3	1	1
Other commercial construction	30	81	111	114	1
Residential	198	158	356	366	24
Residential — limited documentation	80	43	123	147	—
Consumer:					
Home equity lines and loans	32	38	70	79	4
Recreational finance	22	6	28	26	1
Automobile	29	5	34	39	—
Other	45	—	45	38	—
Total	789	1,271	2,060	1,893	59
	\$	\$	\$	\$	\$

Pass

	530	252	41	6	2	12	116	959
	\$	\$	\$	\$	\$	\$	\$	— \$
Criticized accrual								
	1	18	30	—	59	—	3	111
Criticized nonaccrual								
	—	—	3	—	—	—	—	3
	531	270	74	6	61	12	119	1,073
Total residential builder and developer	\$	\$	\$	\$	\$	\$	\$	— \$
	—	—	—	—	—	—	—	—
Gross charge-offs year ended December 31, 2023	\$	\$	\$	\$	\$	\$	\$	2
Other commercial construction:								
Loan grades:								
Pass								
	813	1,366	651	373	646	187	30	4,066
	\$	\$	\$	\$	\$	\$	\$	— \$
Criticized accrual								
	53	391	390	691	565	326	—	2,416
Criticized nonaccrual								
	—	14	10	46	50	49	2	171
	866	1,771	1,051	1,110	1,261	562	32	6,653
Total other commercial construction	\$	\$	\$	\$	\$	\$	\$	— \$
	—	—	—	—	3	7	—	10
Gross charge-offs year ended December 31, 2023	\$	\$	\$	\$	\$	\$	\$	— \$

The Company considers repayment performance a significant indicator of credit quality for its residential real estate loan and consumer loan portfolios. A summary of loans in accrual and nonaccrual status at December 31, 2023 for the various classes of the Company's residential real estate loans and consumer loans by origination year is as follows:

(Dollars in millions)	2023	2022	Term Loans by Origination Year		2019	Prior	Revolving Loans	Revolving Loans Converted to Term Loans	Total
Residential:			2021	2020					
Current	\$ 1,726	\$ 4,709	\$ 3,732	\$ 2,543	\$ 1,215	\$ 7,060	\$ 95	\$ —	\$ 21,080
30-89 days past due	18	120	88	52	28	457	—	—	763
Accruing loans past due 90 days or more	1	30	28	17	14	205	—	—	295
Nonaccrual	1	17	10	3	4	179	1	—	215
Total residential	\$ 1,746	\$ 4,876	\$ 3,858	\$ 2,615	\$ 1,261	\$ 7,901	\$ 96	\$ —	\$ 22,353
Gross charge-offs year ended December 31, 2023	\$ —	\$ —	\$ 1	\$ —	\$ 3	\$ 4	\$ —	\$ —	\$ 8
Residential - limited documentation:									
Current	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 825	\$ —	\$ —	\$ 825
30-89 days past due	—	—	—	—	—	31	—	—	31
Accruing loans past due 90 days or more	—	—	—	—	—	—	—	—	—
Nonaccrual	—	—	—	—	—	55	—	—	55
Total residential - limited documentation	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 911	\$ —	\$ —	\$ 911
Gross charge-offs year ended December 31, 2023	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2	\$ —	\$ —	\$ 2
Consumer:									
Home equity lines and loans:									
Current	\$ —	\$ —	\$ 2	\$ 2	\$ 13	\$ 98	\$ 3,022	\$ 1,391	\$ 4,528
30-89 days past due	—	—	—	—	—	3	—	37	40
Accruing loans past due 90 days or more	—	—	—	—	—	—	—	—	—
Nonaccrual	—	—	—	—	—	5	3	73	81
Total home equity lines and loans	\$ —	\$ —	\$ 2	\$ 2	\$ 13	\$ 106	\$ 3,025	\$ 1,501	\$ 4,649

							1	5	6
Gross charge-offs year ended December 31, 2023	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Recreational finance:									
	2,653	2,338	1,857	1,286	781	1,020			9,935
Current	\$	\$	\$	\$	\$	\$	\$ —	\$ —	\$
	11	16	19	14	11	16			87
30-89 days past due							—	—	
Accruing loans past due 90 days or more	—	—	—	—	—	—	—	—	—
	3	5	8	6	5	9			36
Nonaccrual							—	—	
	2,667	2,359	1,884	1,306	797	1,045			10,058
Total recreational finance	\$	\$	\$	\$	\$	\$	\$ —	\$ —	\$
	4	13	14	12	9	16			68
Gross charge-offs year ended December 31, 2023	\$	\$	\$	\$	\$	\$	\$ —	\$ —	\$
Automobile:									
	1,063	1,096	1,047	427	198	87			3,918
Current	\$	\$	\$	\$	\$	\$	\$ —	\$ —	\$
	8	15	17	9	6	5			60
30-89 days past due							—	—	
Accruing loans past due 90 days or more	—	—	—	—	—	—	—	—	—
	2	3	3	2	2	2			14
Nonaccrual							—	—	
	1,073	1,114	1,067	438	206	94			3,992
Total automobile	\$	\$	\$	\$	\$	\$	\$ —	\$ —	\$
	2	6	7	3	2	3			23
Gross charge-offs year ended December 31, 2023	\$	\$	\$	\$	\$	\$	\$ —	\$ —	\$
Other:									
	250	176	118	33	13	18	1,392	3	2,003
Current	\$	\$	\$	\$	\$	\$	\$	\$	\$
	3	3	2			1	20	1	30
30-89 days past due									
							7		7
Accruing loans past due 90 days or more	—	—	—	—	—	—		—	
	2	1	1				48		52
Nonaccrual									
	255	180	121	33	13	19	1,467	4	2,092
Total other	\$	\$	\$	\$	\$	\$	\$	\$	\$
	18	17	7	3	3	10	20		78
Gross charge-offs year ended December 31, 2023	\$	\$	\$	\$	\$	\$	\$	\$ —	\$
Total loans and leases at December 31, 2023	\$ 18,423	\$ 21,683	\$ 15,025	\$ 10,555	\$ 10,062	\$ 27,464	\$ 29,237	\$ 1,619	\$ 134,068
Total gross charge-offs for the year ended December 31, 2023	\$ 34	\$ 81	\$ 47	\$ 31	\$ 142	\$ 190	\$ 40	\$ 5	\$ 570



			Term Loans by Origination Year						Revolving Loans	Converted to	
(Dollars in millions)	2022	2021	2020	2019	2018	Prior				Term Loans	Total
Commercial and industrial:											
Loan grades:											
Pass											
	10,217	6,582	3,110	2,989	1,752	4,615		19,794		41	49,100
	\$	\$	\$	\$	\$	\$		\$	\$	\$	
Criticized accrual											
	259	237	234	170	98	527		774		17	2,316
Criticized nonaccrual											
	21	55	67	51	55	147		101		7	504
Total commercial and industrial											
	10,497	6,874	3,411	3,210	1,905	5,289		20,669		65	51,920
	\$	\$	\$	\$	\$	\$		\$	\$	\$	
Real estate:											
Commercial:											
Loan grades:											
Pass											
	2,493	1,752	2,303	3,365	2,359	8,262		521			21,055
	\$	\$	\$	\$	\$	\$		\$	\$	—	\$
Criticized accrual											
	314	449	424	635	910	1,610		42			4,384
Criticized nonaccrual											
	9	19	155	282	151	601		23			1,240
Total commercial real estate											
	2,816	2,220	2,882	4,282	3,420	10,473		586		—	26,679
	\$	\$	\$	\$	\$	\$		\$	\$	—	\$
Residential builder and developer:											
Loan grades:											
Pass											
	682	230	11	22	13	10		150			1,118
	\$	\$	\$	\$	\$	\$		\$	\$	—	\$
Criticized accrual											
	3	28	10	109	15			31			196
Criticized nonaccrual											
		1									1
Total residential builder and developer											
	685	259	21	131	28	10		181			1,315
	\$	\$	\$	\$	\$	\$		\$	\$	—	\$
Other commercial construction:											
Loan grades:											
Pass											
	1,033	1,080	1,226	1,186	367						

	1,071	1,235	1,591	2,247	677	463	18		7,302
Total other commercial construction	\$	\$	\$	\$	\$	\$	\$	\$ —	\$

A summary of loans in accrual and nonaccrual status at December 31, 2022 for the various classes of the Company's residential real estate loans and consumer loans by origination year follows.

[illegible]

Current	\$	2,842	\$	2,281	\$	1,588	\$	964	\$	487	\$	812	\$	—	\$	—	\$	8,974
30-89 days past due		9		10		12		8		5		11		—		—		55
Accruing loans past due 90 days or more		—		—		—		—		—		—		—		—		—
Nonaccrual		3		7		9		8		6		12		—		—		45
Total recreational finance	\$	2,854	\$	2,298	\$	1,609	\$	980	\$	498	\$	835	\$	—	\$	—	\$	9,074
Automobile:																		
Current	\$	1,491	\$	1,558	\$	703	\$	379	\$	167	\$	95	\$	—	\$	—	\$	4,393
30-89 days past due		7		13		7		7		6		4		—		—		44
Accruing loans past due 90 days or more		—		—		—		—		—		—		—		—		—
Nonaccrual		2		11		7		8		6		6		—		—		40
Total automobile	\$	1,500	\$	1,582	\$	717	\$	394	\$	179	\$	105	\$	—	\$	—	\$	4,477
Other:																		
Current	\$	274	\$	173	\$	58	\$	39	\$	8	\$	23	\$	1,374	\$	8	\$	1,957
30-89 days past due		4		1		—		—		—		1		16		1		23
Accruing loans past due 90 days or more		—		—		—		—		—		—		5		—		5
Nonaccrual		3		1		—		—		—		—		45		—		49
Total other	\$	281	\$	175	\$	58	\$	39	\$	8	\$	24	\$	1,440	\$	9	\$	2,034
Total loans and leases at December 31, 2022	\$	24,854	\$	18,749	\$	13,071	\$	12,738	\$	7,535	\$	26,754	\$	26,199	\$	1,664	\$	131,564

6. Premises and equipment

The detail of premises and equipment was as follows:

(Dollars in millions)	December 31,	
	2023	2022
Land	\$ 148	\$ 149
Buildings	685	654
Leasehold improvements	413	387
Furniture and equipment	1,097	1,004
	2,343	2,194
Less: accumulated depreciation and amortization	1,220	1,156
Right-of-use assets — operating leases	616	616
Premises and equipment, net	<u>\$ 1,739</u>	<u>\$ 1,654</u>

The right-of-use assets and lease liabilities relate to banking offices and other space occupied by the Company and use of certain equipment under noncancelable operating lease agreements. As of December 31, 2023 and 2022, the Company recognized \$

717
million and \$

709
million respectively, of operating lease liabilities as a component of “accrued interest and other liabilities” in the Consolidated Balance Sheet. In calculating the present value of lease payments, the Company utilized its incremental secured borrowing rate based on lease term.

The Company’s noncancelable operating lease agreements expire at various dates over the next 18 years. Real estate leases generally consist of fixed monthly rental payments with certain leases containing escalation clauses. Any variable lease payments or payments for nonlease components are recognized in the Consolidated Statement of Income as a component of “equipment and net occupancy” expense based on actual costs incurred. Some leases contain lessee options to extend the term. Those options are included in the lease term when it is determined that it is reasonably certain the option will be exercised.

The Company has noncancelable operating lease agreements for certain equipment related to ATMs, servers, printers and mail machines that are used in the normal course of operations. The ATM leases are either based on the rights to a specific square footage or a license agreement whereby the Company has the right to operate an ATM in a landlord’s location. The lease terms generally contain both fixed payments and variable payments that are transaction-based. Given the transaction-based nature of the variable payments, such payments are excluded from the measurement of the right-of-use asset and lease liability and are recognized in the Consolidated Statement of Income as a component of “equipment and net occupancy” expense when incurred.

The following table presents information about the Company's lease costs for operating leases recorded in the Consolidated Balance Sheet, cash paid toward lease liabilities, and the weighted-average remaining term and discount rates of the operating leases.

(Dollars in millions)	Year Ended December 31,		
	2023	2022	2021
Lease cost			
Operating lease cost			
	\$ 154	\$ 139	\$ 102
Short-term lease cost		8	
	—		—
Variable lease cost			
	4	4	4
Total lease cost			
	\$ 158	\$ 151	\$ 106
Other information			
Right-of-use assets:			
Obtained in exchange for new operating lease liabilities			
	\$ 134	\$ 138	\$ 58
Acquired in business combination		226	
	—		—
Cash paid toward lease liabilities			
	158	143	107
Weighted-average remaining lease term			
	7 years	7 years	6 years
Weighted-average discount rate			
	3.37 %	2.97 %	2.51 %

Minimum lease payments under noncancelable operating leases are summarized in the following table.

(Dollars in millions)	
Year ending December 31:	
2024	
	\$ 162
2025	
	145
2026	
	122
2027	
	101
2028	
	75
Later years	
	208

Total lease payments	813
Less: imputed interest	96
Total	<u>\$ 717</u>

All other operating leasing activities were not material to the Company's consolidated results of operations. Minimum lease payments required under finance leases are not material.

7. Capitalized servicing assets

Changes in capitalized servicing assets were as follows:

(Dollars in millions)	Year Ended December 31,					
	Residential Mortgage Loans			Commercial Mortgage Loans		
	2023	2022	2021	2023	2022	2021
Beginning balance						
	\$ 194	\$ 241	\$ 231	\$ 126	\$ 133	\$ 134
Originations						
	13	7	66	27	24	33
Purchases						
	350	—	—	—	—	—
Acquired in business combination						
	—	12	—	—	—	—
Amortization	(101)	(66)	(56)	(30)	(31)	(34)
	456	194	241	123	126	133
Valuation allowance			(24)			
	—	—	)	—	—	—
Ending balance, net						
	\$ 456	\$ 194	\$ 217	\$ 123	\$ 126	\$ 133
	<u>\$ 456</u>	<u>\$ 194</u>	<u>\$ 217</u>	<u>\$ 123</u>	<u>\$ 126</u>	<u>\$ 133</u>
(Dollars in millions)	Residential Mortgage Loans		Commercial Mortgage Loans			
Balances at period end	2023	2022	2023	2022		
Loans serviced for others						
	\$ 40,021	\$ 22,365	\$ 24,157	\$ 22,166		
Loans sub-serviced for others						
	115,321	96,027	3,873	3,841		
Total loans serviced for others						
	\$ 155,342	\$ 118,392	\$ 28,030	\$ 26,007		
	<u>\$ 155,342</u>	<u>\$ 118,392</u>	<u>\$ 28,030</u>	<u>\$ 26,007</u>		

During 2023, the Company completed a \$

350 million bulk purchase of residential mortgage loan servicing rights associated with \$

19.5 billion of residential real estate loans. In conjunction with the acquisition of People's United on April 1, 2022, the Company acquired servicing rights for residential real estate loans that had outstanding principal balances at that date of \$

1.1 billion. The fair value of such servicing rights at that date was \$

12 million.

The estimated fair value of capitalized residential mortgage loan servicing assets was approximately \$

611 million at December 31, 2023 and \$

336

million at December 31, 2022. The fair value of capitalized residential mortgage loan servicing assets was estimated using weighted-average discount rates of

11.45

% and

12.29

% at December 31, 2023 and 2022, respectively, and contemporaneous prepayment assumptions that vary by loan type. At December 31, 2023 and 2022, the discount rate represented a weighted-average OAS of

790

basis points over market implied forward SOFR and

881

basis points over market implied forward LIBOR, respectively. The estimated fair value of capitalized residential mortgage loan servicing rights may vary significantly in subsequent periods due to changing interest rates and the effect thereof on prepayment speeds. The estimated fair value of capitalized commercial mortgage loan servicing assets was approximately \$

193

million at December 31, 2023 and \$

156

million at December 31, 2022. A weighted-average discount rate of

14.43

% was used to estimate the fair value of capitalized commercial mortgage loan servicing rights at December 31, 2023. Estimated servicing revenues and expenses used to value such servicing rights considered historical payment performance trends and current market interest rates. In general, the servicing agreements allow the Company to share in customer loan prepayment fees and thereby recover the remaining carrying value of the capitalized servicing rights associated with such loans. The Company's ability to realize the carrying value of capitalized commercial mortgage servicing rights is more dependent on the borrowers' abilities to repay the underlying loans than it is on prepayments. An

18

% discount rate was used to estimate the value at December 31, 2022.

The key economic assumptions used to determine the fair value of significant portfolios of capitalized servicing rights at December 31, 2023 and the sensitivity of such value to changes in those assumptions are summarized in the table that follows. Those calculated sensitivities are hypothetical and actual changes in the fair value of capitalized servicing rights may differ significantly from the amounts presented herein. The effect of a variation in a particular assumption on the fair value of the servicing rights is calculated without changing any other assumption. In reality, changes in one factor may result in changes in another which may magnify or counteract the sensitivities. The changes in assumptions are presumed to be instantaneous.

(Dollars in millions)	Residential	Commercial
Weighted-average prepayment speeds	6.93 %	
Impact on fair value of 10% adverse change	(16)	
	\$	
Impact on fair value of 20% adverse change	(31)	
Weighted-average OAS	7.90 %	
Impact on fair value of 10% adverse change	(18)	
	\$	
Impact on fair value of 20% adverse change	(35)	
Weighted-average discount rate		14.43 %
Impact on fair value of 10% adverse change		(6)
		\$
Impact on fair value of 20% adverse change		(12)

8. Goodwill and other intangible assets

The Company does not amortize goodwill, however, core deposit and other intangible assets are amortized over the estimated life of each respective asset. A summary of total amortizing intangible assets follows.

(Dollars in millions)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
December 31, 2023			
Core deposit	218	90	128
	\$	\$	\$
Other	43	24	19
Total	261	114	147
	\$	\$	\$
December 31, 2022			
Core deposit	218	41	177
	\$	\$	\$

Other

43

11

32

Total

261

52

209

\$

\$

\$

Amortization of core deposit and other intangible assets was generally computed using accelerated methods over original amortization periods of three to seven years. The weighted-average original amortization period was approximately six years. Amortization expense for core deposit and other intangible assets was \$

62

million, \$

56

million and \$

10

million for the years ended December 31, 2023, 2022 and 2021, respectively. Estimated amortization expense in future years for such intangible assets is as follows:

(Dollars in millions)

Year ending December 31:

2024

53

\$

2025

38

2026

27

2027

18

2028

9

Later years

2

147

\$

The Company completed its annual goodwill impairment test as of October 1, 2023. For purposes of testing for impairment, the Company assigned all recorded goodwill to the reporting units originally intended to benefit from past business combinations, which has historically been the Company's core relationship business reporting units. Goodwill was generally assigned based on the implied fair value of the acquired goodwill applicable to the benefited reporting units at the time of each respective acquisition. The implied fair value of the goodwill was determined as the difference between the estimated incremental overall fair value of the reporting unit and the estimated fair value of the net

assets assigned to the reporting unit as of each respective acquisition date. There were

no changes to the goodwill assigned to any business reporting unit as a result of the realignment of the Company's business operations into

three reportable segments in the fourth quarter of 2023 as described in note 23. To test for goodwill impairment at the evaluation date, the Company compared the estimated fair value of each of its reporting units to their respective carrying amounts and certain other assets and liabilities assigned to the reporting unit, including goodwill and core deposit and other intangible assets. The methodologies used to estimate fair values of reporting units as of the acquisition dates and as of the evaluation date were similar. For the Company's core customer relationship business reporting units, fair value was estimated as the present value of the expected future cash flows of the reporting unit. Based on the results of the goodwill impairment test, the Company concluded that the amount of recorded goodwill was not impaired at the testing date. The Company was not aware of any events occurring in the fourth quarter of 2023 that more likely than

no t would have resulted in an impairment of recorded goodwill at December 31, 2023.

A summary of goodwill assigned to each of the Company's reportable segments as of December 31, 2023 and 2022 for purposes of testing for impairment is as follows:

(Dollars in millions)	December 31, 2022	2023 Transactions (a)	December 31, 2023
Commercial Bank	\$ 5,076	\$ —	\$ 5,076
Retail Bank	3,089	—	3,089
Institutional Services & Wealth Management	325	25	300
All Other	—	—	—
Total	\$ 8,490	\$ 25	\$ 8,465

(a) The decrease in Institutional Services & Wealth Management represents goodwill allocated to the CIT business sold in April 2023. Further information regarding that transaction is provided in note 2.

9. Borrowings

The amounts and interest rates of short-term borrowings were as follows:

(Dollars in millions)	Repurchase Agreements	FHLB Advances	Total
At December 31, 2023			
Amount outstanding	\$ 316	\$ 5,000	\$ 5,316
Weighted-average interest rate	3.26 %	5.35 %	5.23 %
At December 31, 2022			
Amount outstanding	\$ 355	\$ 3,200	\$ 3,555
Weighted-average interest rate	1.01 %	4.59 %	4.24 %

Short-term borrowings have a stated maturity of one year or less at the date the Company enters into the obligation. All outstanding short-term borrowings at December 31, 2023 are set to mature in the first quarter of 2024.

At December 31, 2023, M&T Bank had borrowing facilities available with the FHLB of New York whereby M&T Bank could borrow up to approximately \$

billion. Additionally, M&T Bank had an available line of credit with the FRB of New York totaling approximately \$

17.1
billion at December 31, 2023. Outstanding borrowings on such facilities totaled \$

5.0
billion at December 31, 2023. M&T Bank is required to pledge loans and investment securities as collateral for these borrowing facilities.

Long-term borrowings were as follows:

(Dollars in millions)		December 31,	
		2023	2022
Senior notes of M&T:			
Variable rate due			
2023		\$ —	\$ 250
3.55			
% due			
2023			494
4.55			
% fixed/variable due			
2028		484	477
7.41			
% fixed/variable due			
2029		1,028	—
5.05			
% fixed/variable due			
2034		970	—
Senior notes of M&T Bank:			
2.90			
% due			
2025		750	750

5.40
% due

2025

499

499

4.65
% due

2026

1,296

—

4.70
% due

2028

1,196

—

Subordinated notes of M&T:

5.75
% due

2024

76

77

Subordinated notes of M&T Bank:

4.00
% due

2024

401

404

3.40
% due

2027

472

463

Junior subordinated debentures of M&T associated with preferred capital securities:

Fixed rates:

BSB Capital Trust I —		
8.125		
%, due		
2028	16	16
Provident Trust I —		
8.29		
%, due		
2028	32	31
Southern Financial Statutory Trust I —		
10.60		
%, due		
2030	7	7
Variable rates:		
First Maryland Capital I — due		
2027	150	150
First Maryland Capital II — due		
2027	153	152
Allfirst Asset Trust — due		
2029	98	97
BSB Capital Trust III — due		
2033	15	15
Provident Statutory Trust III — due		
2033	60	59
Southern Financial Capital Trust III — due		
2033	9	9
Asset-backed notes	474	—
Other	15	15

	8,201	3,965
\$		\$

The variable rate senior notes of M&T were repaid in 2023 and paid interest quarterly at a rate that was indexed to the three-month LIBOR. The contractual interest rate was

5.00
% at December 31, 2022.

The Junior Subordinated Debentures are held by various trusts and were issued in connection with the issuance by those trusts of Preferred Capital Securities and Common Securities. The proceeds from the issuances of the Preferred Capital Securities and the Common Securities were used by the trusts to purchase the Junior Subordinated Debentures. The Common Securities of each of those trusts are wholly owned by M&T and are the only class of each trust's securities possessing general voting powers. The Preferred Capital Securities represent preferred undivided interests in the assets of the corresponding trust. Under the Federal Reserve's risk-based capital guidelines, the Preferred Capital Securities qualify for inclusion in Tier 2 regulatory capital. The variable rate Junior Subordinated Debentures pay interest quarterly at rates that are indexed to the three-month SOFR. Those rates ranged from

6.49
% to

9.01
% at December 31, 2023 and from

5.08
% to

7.69
% at December 31, 2022. The weighted-average variable rates payable on those Junior Subordinated Debentures were

7.07
% at December 31, 2023 and

5.66
% at December 31, 2022.

Holders of the Preferred Capital Securities receive preferential cumulative cash distributions unless M&T exercises its right to extend the payment of interest on the Junior Subordinated Debentures as allowed by the terms of each such debenture, in which case payment of distributions on the respective Preferred Capital Securities will be deferred for comparable periods. During an extended interest period, M&T may not pay dividends or distributions on, or repurchase, redeem or acquire any shares of its capital stock. In general, the agreements governing the Preferred Capital Securities, in the aggregate, provide a full, irrevocable and unconditional guarantee by M&T of the payment of distributions on, the redemption of, and any liquidation distribution with respect to the Preferred Capital Securities. The obligations under such guarantee and the Preferred Capital Securities are subordinate and junior in right of payment to all senior indebtedness of M&T.

The Preferred Capital Securities will remain outstanding until the Junior Subordinated Debentures are repaid at maturity, are redeemed prior to maturity or are distributed in liquidation to the trusts. The Preferred Capital Securities are mandatorily redeemable in whole, but not in part, upon repayment at the stated maturity dates (ranging from 2027 to 2033) of the Junior Subordinated Debentures or the earlier redemption of the Junior Subordinated Debentures in whole upon the occurrence of one or more events set forth in the indentures relating to the Preferred Capital Securities, and in whole or in part at any time after an optional redemption prior to contractual maturity contemporaneously with the optional redemption of the related Junior Subordinated Debentures in whole or in part, subject to possible regulatory approval.

In August 2023, a subsidiary of M&T Bank issued asset-backed notes secured by equipment finance loans and leases. A total of \$

550 million of such notes, representing the senior-most notes in the securitization, were purchased by third parties. At December 31, 2023, the outstanding asset-backed notes totaled \$

474 million and had a weighted-average estimated life of approximately two years and a weighted-average interest rate of

5.89%. Further information about this financing transaction is provided in note 20.

Long-term borrowings at December 31, 2023 mature as follows:

(Dollars in millions)	
Year ending December 31:	
2024	527
	\$
2025	1,251
2026	1,297
2027	775
2028	1,728
Later years	2,623
	<u>\$ 8,201</u>

10. Shareholders' equity

M&T is authorized to issue

20,000,000
shares of preferred stock with a \$

1.00
par value per share. Preferred shares outstanding rank senior to common shares both as to dividends and liquidation preference, but have no general voting rights. Issued and outstanding preferred stock of M&T at each of December 31, 2023 and 2022 is presented below:

(Dollars in millions)	Shares Issued and Outstanding	Carrying Value
Series E (a)		
Fixed-to-Floating Rate Non-cumulative Perpetual Preferred Stock \$		
1,000		
liquidation preference per share	350,000	350
		\$
Series F (b)		
Fixed-to-Floating Rate Non-cumulative Perpetual Preferred Stock \$		
10,000		
liquidation preference per share	50,000	500
Series G (c)		
Fixed-Rate Reset Non-cumulative Perpetual Preferred Stock \$		
10,000		
liquidation preference per share	40,000	400
Series H (d)		
Fixed-to-Floating Rate Non-cumulative Perpetual Preferred Stock \$		
25		
liquidation preference per share	10,000,000	261
Series I (e)		
Fixed-Rate Reset Non-cumulative Perpetual Preferred Stock \$		
10,000		
liquidation preference per share	50,000	500

(a) Dividends, if declared, are paid semi-annually at a rate of

6.45

% through February 14, 2024 and thereafter will be paid quarterly at a rate of the three-month SOFR plus

387

basis points. The shares are redeemable in whole or in part on or after February 15, 2024 . Notwithstanding M&T's option to redeem the shares, if an event occurs such that the shares no longer qualify as Tier 1 capital, M&T may redeem all of the shares within 90 days following that occurrence. Declared dividends per share were \$

64.50

in each of 2023, 2022 and 2021.

(b) Dividends, if declared, are paid semi-annually at a rate of

5.125

% through October 31, 2026 and thereafter will be paid quarterly at a rate of the three-month SOFR plus

378

basis points. The shares are redeemable in whole or in part on or after November 1, 2026 . Notwithstanding M&T's option to redeem the shares, if an event occurs such that the shares no longer qualify as Tier 1 capital, M&T may redeem all of the shares within 90 days following that occurrence. Declared dividends per share were \$

512.50

in each of 2023, 2022 and 2021.

(c) Dividends, if declared, are paid semi-annually at a rate of

5.0

% through July 31, 2024 and thereafter will be paid semi-annually at a rate of the five-year U.S. Treasury rate plus

3.174

%. The shares are redeemable in whole or in part on or after August 1, 2024 . Notwithstanding M&T's option to redeem the shares, if an event occurs such that the shares no longer qualify as Tier 1 capital, M&T may redeem all of the shares within 90 days following that occurrence. Declared dividends per share were \$

500.00

in each of 2023, 2022 and 2021.

(d) Dividends, if declared, are paid quarterly at a rate of

5.625

% through December 14, 2026 and thereafter will be paid quarterly at a rate of the three-month SOFR plus

428

basis points. The shares are redeemable in whole or in part on or after April 1, 2027 . Notwithstanding M&T's option to redeem the shares, if an event occurs such that the shares no longer qualify as Tier 1 capital, M&T may redeem all of the shares within 90 days following that occurrence. Dividends declared per share were \$

1.4063
in 2023 and \$

1.0547
in 2022.

(e) Dividends, if declared, are paid semi-annually at a rate of

3.5

% through August 31, 2026 and thereafter will be paid semi-annually at a rate of the five-year U.S. Treasury rate plus

2.679

%. The shares are redeemable in whole or in part on or after September 1, 2026 . Notwithstanding M&T's option to redeem the shares, if an event occurs such that the shares no longer qualify as Tier 1 capital, M&T may redeem all of the shares within 90 days following that occurrence. Dividends declared per share were \$

350.00
in 2023, \$

356.806
in 2022 and \$

94.306
in 2021.

11. Revenue from contracts with customers

The Company generally charges customer accounts or otherwise bills customers upon completion of its services. Typically the Company's contracts with customers have a duration of one year or less and payment for services is received at least annually, but oftentimes more frequently as services are provided. At December 31, 2023 and 2022, the Company had \$

68
million and \$

74
million, respectively, of amounts receivable related to recognized revenue from the sources in the accompanying tables. Such amounts are classified in "accrued interest and other assets" in the Consolidated Balance Sheet. In certain situations the Company is paid in advance of providing services and defers the recognition of revenue until its service obligation is satisfied. At December 31, 2023 and 2022, the Company had deferred revenue of \$

54
million and \$

48
million, respectively, related to the sources in the accompanying tables recorded in "accrued interest and other liabilities" in the Consolidated Balance Sheet. The following tables summarize sources of the Company's noninterest income during 2023, 2022 and 2021 that are subject to the revenue recognition guidance.

(Dollars in millions)	Commercial Bank	Retail Bank	Institutional Services and Wealth Management	Total
Year Ended December 31, 2023				
Classification in Consolidated Statement of Income				
Service charges on deposit accounts	\$ 144	\$ 330	\$ 1	\$ 475
Trust income	2	—	678	680
Brokerage services income	6	—	96	102
Other revenues from operations:				
Merchant discount and credit card interchange fees	77	84	—	161
Other	28	30	8	66
	<u>\$ 257</u>	<u>\$ 444</u>	<u>\$ 783</u>	<u>\$ 1,484</u>

Year Ended December 31, 2022				
Classification in Consolidated Statement of Income				
Service charges on deposit accounts	\$ 130	\$ 317	\$ —	\$ 447
Trust income	—	—	741	741
Brokerage services income	5	—	83	88
Other revenues from operations:				
Merchant discount and credit card interchange fees	73	86	—	159
Other	24	28	38	90
	<u>\$ 232</u>	<u>\$ 431</u>	<u>\$ 862</u>	<u>\$ 1,525</u>

Year Ended December 31, 2021				
Classification in Consolidated Statement of Income				
Service charges on deposit accounts	\$ 115	\$ 287	\$ —	\$ 402
Trust income	—	—	645	645
Brokerage services income	2	—	61	63
Other revenues from operations:				

Merchant discount and credit card interchange fees	58	73	—	131
Other	13	30	40	83
	<u>\$ 188</u>	<u>\$ 390</u>	<u>\$ 746</u>	<u>\$ 1,324</u>

Service charges on deposit accounts include fees deducted directly from customer account balances, such as account maintenance, insufficient funds and other transactional service charges, and also include debit card interchange revenue resulting from customer initiated transactions. Account maintenance charges are generally recognized as revenue on a monthly basis, whereas other fees are recognized after the respective service is provided.

Trust income includes revenues from a variety of trustee, agency, investment, cash management and administrative services, asset management, fiduciary services, and family office services. Trust fees may be billed in arrears or in advance and are recognized as revenue as the Company's performance obligations are satisfied. Certain fees are based on a percentage of assets invested or under management and are recognized as the service is performed and constraints regarding the uncertainty of the amount of fees are resolved.

Brokerage services income includes revenues from the sale of mutual funds and annuities and securities brokerage fees. Such revenues are generally recognized at the time of transaction execution. Mutual fund and other distribution fees are recognized upon initial placement of customer funds as well as in future periods as such customers continue to hold amounts in those mutual funds.

Other revenues from operations include merchant discount and credit card interchange fees that are generally recognized when the cardholder's transaction is approved and settled. Also included in other revenues from operations are insurance commissions, ATM surcharge fees, and advisory and other fees. Insurance commissions are recognized at the time the insurance policy is executed with the customer. Insurance renewal commissions are recognized upon subsequent renewal of the policy. ATM surcharge fees are included in revenue at the time of the respective ATM transaction. Advisory and other fees are generally recognized when the Company has satisfied its service obligation.

12. Stock-based compensation plans

Stock-based compensation expense was \$

118

million in 2023, \$

111

million in 2022 and \$

85

million in 2021. The Company recognized income tax benefits related to stock-based compensation of \$

24

million in 2023, \$

26

million in 2022 and \$

16

million in 2021.

The Company's equity incentive compensation plan allows for the issuance of various forms of stock-based compensation, including stock options, restricted stock and restricted stock units, including performance-based awards. At December 31, 2023 and 2022, respectively, there were

4,218,093

and

1,650,696

shares available for future grant under the Company's equity incentive compensation plan.

Stock awards

Stock awards granted to employees are comprised of restricted stock and restricted stock units. Stock awards generally vest over three years . The Company may issue shares from treasury stock to the extent available or issue new shares. There were

no

restricted shares issued in 2023, 2022 or 2021. The number of restricted stock units issued was

752,534

in 2023,

548,926

in 2022 and

636,956

in 2021, with a weighted-average grant date fair value of \$

116

million, \$

93

million and \$

84

million, respectively. Unrecognized compensation expense associated with restricted stock and restricted stock units, inclusive of those awards assumed in the acquisition of People's United, was \$

42

million as of December 31, 2023 and is expected to be recognized over a weighted-average period of approximately one year .
A summary of restricted stock and restricted stock unit activity follows:

	Restricted Stock Units Outstanding	Weighted- Average Grant Price	Restricted Stock Outstanding	Weighted- Average Grant Price
Unvested at January 1, 2023				
	1,167,582	156.23	75,006	164.65
		\$		\$
Granted				
	752,534	153.86	—	—
Vested	(		(	
	543,987	156.97	35,777	164.66
	)		)	
Cancelled	(		(	
	45,851	159.73	7,514	164.66
	)		)	
Unvested at December 31, 2023				
	1,330,278	154.46	31,715	164.63
		\$		\$

Stock option awards

Stock options granted to employees generally vest over three years and are exercisable over terms not exceeding ten years and one day. The Company granted

179,551

,

138,825

and

178,441

stock options in 2023, 2022 and 2021, respectively. The weighted-average grant date fair value of options granted was \$

9

million in 2023, \$

6

million in 2022 and \$

5

million in 2021. The Company used an option pricing model to estimate the grant date present value of stock options granted.

A summary of stock option activity follows:

	Stock Options Outstanding	Weighted-Average Exercise Price	Life (In Years)	Aggregate Intrinsic Value (In millions)
Outstanding at January 1, 2023	2,340,062	148.78		
		\$		
Granted	179,551	156.00		
Exercised	(262,837)	122.45		
Expired	(58,112)	155.87		
Outstanding at December 31, 2023	2,198,664	152.33	5.6	6
		\$		\$
Exercisable at December 31, 2023	1,807,515	151.67	5.0	5
		\$		\$

For 2023, 2022 and 2021 M&T received \$

32
million, \$

37
million and \$

305

thousand, respectively, in cash from the exercise of stock options. The intrinsic value of stock options exercised and the related tax benefit realized by the Company were not material in any of those three years. As of December 31, 2023, the amount of unrecognized compensation cost related to non-vested stock options was not material. The total grant date fair value of stock options vested during 2023, 2022 and 2021 was not material. Upon the exercise of stock options, the Company may issue shares from treasury stock to the extent available or issue new shares.

Stock purchase plan

The stock purchase plan provides eligible employees of the Company with the right to purchase shares of M&T common stock at a discount through accumulated payroll deductions. In connection with the employee stock purchase plan, shares of M&T common stock issued were

90,575
in 2023,

75,232
in 2022 and

95,147
in 2021. As of December 31, 2023, there were

1,972,627
shares available for issuance under the plan. M&T received cash for shares purchased through the employee stock purchase plan of \$

13
million in 2023 and \$

11

million in each of 2022 and 2021. Compensation expense recognized for the stock purchase plan was not material in 2023, 2022 or 2021.

Deferred bonus plan

The Company provided a deferred bonus plan pursuant to which eligible employees could elect to defer all or a portion of their annual incentive compensation awards and allocate such awards to several investment options, including M&T common stock. The deferred bonus plan was frozen effective January 1, 2010 and did not allow any additional deferrals after that date. Participants could elect the timing of distributions from the plan. Such distributions are payable in cash with the exception of balances allocated to M&T common stock which are distributable in the form of M&T common stock. Shares of M&T common stock distributable pursuant to the terms of the deferred bonus plan were

10,238
and

11,725
at December 31, 2023 and 2022, respectively. The obligation to issue shares is included in "common stock issuable" in the Consolidated Balance Sheet.

Directors' stock compensation programs

The Company maintains compensation programs for members of the Company's boards of directors and its regional director advisory councils that provides for a portion of their compensation to be received in shares or restricted stock units. In 2023 and 2022,

27,027
and

22,068
shares, respectively, were granted under such programs.

Through acquisitions, the Company assumed obligations to issue shares of M&T common stock related to deferred directors' compensation plans. Shares of common stock issuable under such plans were

1,979
and

2,306
at December 31, 2023 and 2022, respectively. The obligation to issue shares is included in "common stock issuable" in the Consolidated Balance Sheet.

13. Pension plans and other postretirement benefits

The Company provides defined pension and other postretirement benefits (including health care and life insurance benefits) to qualified retired employees. The Company uses a December 31 measurement date for all of its plans.

Net periodic pension expense for defined benefit plans consisted of the following:

(Dollars in millions)	Year Ended December 31,		
	2023	2022	2021
Service cost	\$ 11	\$ 18	\$ 20
Interest cost on benefit obligation	115	82	62
Expected return on plan assets	(201)	(188)	(143)
Amortization of prior service cost	—	1	1
Recognized net actuarial (gain) loss	(2)	20	89
Net periodic pension (benefit) cost	77	67	29
	<u>\$</u>	<u>\$</u>	<u>\$</u>

Net other postretirement benefits expense for defined benefit plans consisted of the following:

(Dollars in millions)	Year Ended December 31,		
	2023	2022	2021
Service cost	\$ 2	\$ 3	\$ 1
Interest cost on benefit obligation	3	2	1
Amortization of prior service credit	(2)	(3)	(5)
Recognized net actuarial gain	(3)	(1)	(1)
Net other postretirement (benefit) cost	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ 4</u>

Service cost is reflected in salaries and employee benefits expense. The other components of net periodic benefit costs are reflected in other costs of operations.

Prior to 2022, net actuarial losses were generally amortized over the average remaining service periods of active participants in the Company's qualified defined benefit pension plan. If all or substantially all of the plan's participants are inactive, GAAP provides for the average remaining life expectancy of the participants to be used instead of average remaining service period in determining such amortization. Substantially all of the participants in the Company's qualified defined benefit pension plan were inactive and beginning in 2022 the average remaining life expectancy is now utilized prospectively to amortize the net unrecognized losses. The change increased the amortization period by approximately sixteen years and reduced the amount of amortization of unrecognized losses recorded for the year ended December 31, 2022 from what would have been recorded without such change in amortization period by \$

36
million.

Data relating to the funding position of the defined benefit plans were as follows:

(Dollars in millions)	Pension Benefits		Other Postretirement Benefits	
	2023	2022	2023	2022
Change in benefit obligation:				
Benefit obligation at beginning of year				
	\$ 2,379	\$ 2,420	\$ 60	\$ 52
Service cost				
	11	18	2	3
Interest cost				
	115	82	3	2
Plan participants' contributions				
	—	—	1	2
Actuarial (gain) loss				
	13	636	5	22
	)	)	)	)
Plan amendment				
	—	—	—	13
Business combinations				
	—	633	—	15
Medicare Part D reimbursement				
	—	—	—	1
Benefits paid				
	(149	(138	(4	(6
	)	)	)	)
Benefit obligation at end of year				
	2,369	2,379	57	60
Change in plan assets:				
Fair value of plan assets at beginning of year				
	2,942	2,596	—	—
Actual return on plan assets				
	334	386	—	—
	)	)	—	—
Employer contributions				
	18	14	3	3
Business combinations				
	—	856	—	—
Plan participants' contributions				
	—	—	1	2
Medicare Part D reimbursement				
	—	—	—	1
Benefits paid				
	(149	(138	(4	(6
	)	)	)	)

Fair value of plan assets at end of year	3,145	2,942	—	—
Funded status			(	(
	776	563	57	60
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Prepaid asset recognized in the Consolidated Balance Sheet	922	715	—	—
	\$	\$	\$	\$
Accrued liability recognized in the Consolidated Balance Sheet	(	(	(	(
	146	152	57	60
	)	)	)	)
Net accrued asset (liability) recognized in the Consolidated Balance Sheet	776	563	57	60
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Amounts recognized in accumulated other comprehensive income were:				
Net loss (gain)			(	(
	191	309	37	35
	\$	\$	\$	\$
Net prior service cost (credit)				(
	—	—	1	1
				)
Pre-tax adjustment to accumulated other comprehensive income	191	309	36	36
			)	)
Taxes	(	(		
	49	80	9	9
	)	)		
Net adjustment to accumulated other comprehensive income			(	(
	142	229	27	27
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

The Company has an unfunded supplemental pension plan for certain key executives and others. The projected benefit obligation and accumulated benefit obligation included in the preceding data related to such plan were \$

146

million as of December 31, 2023 and \$

152

million as of December 31, 2022. The accumulated benefit obligation for all defined benefit pension plans was \$

2.4

billion at each of December 31, 2023 and 2022.

GAAP requires an employer to recognize in its balance sheet as an asset or liability the overfunded or underfunded status of a defined benefit postretirement plan, measured as the difference between the fair value of plan assets and the benefit obligation. For a pension plan, the benefit obligation is the projected benefit obligation; for any other postretirement benefit plan, such as a retiree health care plan, the benefit obligation is the accumulated postretirement benefit obligation. Gains or losses and prior service costs or credits that arise during the period, but are not included as components of net periodic benefit expense, are recognized as a component of other comprehensive income. Amortization of net gains and losses is included in annual net periodic benefit expense if, as of the beginning of the year, the net gain or loss exceeds 10% of the greater of the benefit obligation or the market-related fair value of the plan assets. As indicated in the preceding table, as of December 31, 2023 the Company recorded a minimum liability adjustment of \$

155
million (\$

191
million related to pension plans and (\$

36
million) related to other postretirement benefits) with a corresponding reduction of shareholders' equity, net of applicable deferred taxes, of \$

115
million. In aggregate, the benefit plans realized a net gain during 2023 that resulted in a decrease to the minimum liability adjustment from that which was recorded at December 31, 2022 of \$

118
million. The net gain in 2023 was mainly the result of a return on plan assets that was greater than the assumed expected return. The table below reflects the changes in plan assets and benefit obligations recognized in other comprehensive income related to the Company's postretirement benefit plans.

(Dollars in millions)	Pension Plans	Other Postretirement Benefit Plans	Total
2023			
Net gain	(	(	(
	120	5	125
	\$)	\$)	\$)
Amortization of prior service credit		2	2
	—		
Amortization of actuarial gain	2	3	5
Total recognized in other comprehensive income, pre-tax	(		(
	118		118
	\$)	\$ —	\$)
2022			
Net gain	(	(	(
	62	22	84
	\$)	\$)	\$)
Net prior service cost		13	13
	—		
Amortization of prior service (cost) credit	(		
	1	3	2
	)		
Amortization of actuarial (loss) gain	(		(
	20	2	18
	)		)
Total recognized in other comprehensive income, pre-tax	(	(	(
	83	4	87
	\$)	\$)	\$)

Assumptions

The assumed weighted-average rates used to determine benefit obligations at December 31 were:

	Pension Benefits		Other Postretirement Benefits	
	2023	2022	2023	2022
Discount rate	5.00 %	5.00 %	5.00 %	5.00 %
Rate of increase in future compensation levels	3.32	3.33	—	—

The assumed weighted-average rates used to determine net benefit expense for the years ended December 31 were:

	Pension Benefits			Other Postretirement Benefits		
	2023	2022	2021	2023	2022	2021
Discount rate	5.00 %	2.75 %	2.50 %	5.00 %	2.75 %	2.50 %
Long-term rate of return on plan assets	6.25	6.25	6.25	—	—	—
Rate of increase in future compensation levels	3.33	3.35	3.37	—	—	—

The discount rate used by the Company to determine the present value of the Company's future benefit obligations reflects specific market yields for a hypothetical portfolio of highly rated corporate bonds that would produce cash flows similar to the Company's benefit plan obligations and the level of market interest rates in general as of the year-end.

The expected long-term rate of return assumption as of each measurement date was developed through analysis of historical market returns, current market conditions, anticipated future asset allocations, the funds' past experience, and expectations on potential future market returns. The expected rate of return assumption represents a long-term average view of the performance of the plan assets, a return that may or may not be achieved during any one calendar year.

The Company's defined benefit pension plan is sensitive to the long-term rate of return on plan assets and the discount rate. To demonstrate the sensitivity of the net periodic pension benefit for 2023 to changes in these assumptions, with all other assumptions held constant,

25
basis point increases in: the rate of return on plan assets would have resulted in an increase in pension benefit of approximately \$

8
million; and the discount rate would have resulted in a decrease in pension benefit of approximately \$

1
million. Decreases of 25 basis points in those assumptions would have resulted in similar changes in amount, but in the opposite direction from the changes presented in the preceding sentence. Additionally, an increase of 25 basis points in the discount rate would have decreased the benefit obligation by \$

62
million and a decrease of 25 basis points in the discount rate would have increased the benefit obligation by \$

65
million at December 31, 2023.

For measurement of other postretirement benefits, a

6.75
% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2023. The rate was assumed to decrease to

5.00
% over seven years .

Plan assets

The Company's policy is to invest the pension plan assets in a prudent manner for the purpose of providing benefit payments to participants and mitigating reasonable expenses of administration. The Company's investment strategy is designed to provide a total return that, over the long-term, places an emphasis on the preservation of capital. The strategy attempts to maximize investment returns on assets at a level of risk deemed appropriate by the Company while complying with applicable regulations and laws. The investment strategy utilizes asset diversification as a principal determinant for establishing an appropriate risk profile while emphasizing total return realized from capital appreciation, dividends and interest income. The target allocations for plan assets are generally 2

5
to

60
percent equity securities,

10
to

65
percent debt securities, and

5
to

60
percent money-market investments/cash equivalents and other investments, although holdings could be more or less than these general guidelines based on market conditions at the time and actions taken or recommended by the investment managers providing advice to the Company. Assets are managed by a combination of internal and external investment managers. Equity securities may include investments in domestic and international equities through individual securities, mutual funds and exchange-traded funds. Debt securities may include investments in corporate bonds of companies from diversified industries, mortgage-backed securities guaranteed by government agencies and U.S. Treasury securities through individual securities and mutual funds. Additionally, the Company's defined benefit pension plan held \$

668
million (

21

% of total assets) of real estate funds, private investments, hedge funds and other investments at December 31, 2023.

No

investment in securities of a non-U.S. Government or government agency issuer exceeded

ten

percent of plan assets at December 31, 2023. Returns on invested assets are periodically compared with target market indices for each asset type to aid management in evaluating such returns. Furthermore, management regularly reviews the investment policy and may, if deemed appropriate, make changes to the target allocations noted above.

The fair values of the Company's pension plan assets at December 31, 2023 and 2022, by asset category, were as follows:

Fair Value Measurement of Plan Assets At December 31, 2023

(Dollars in millions)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset category:				
Money-market investments				
	\$ 65	\$ 41	\$ 24	\$ —
Equity securities:				
M&T				
	112	112	—	—
Domestic (a)	512	512	—	—
International (b)	17	17	—	—
Mutual funds:				
Domestic (a)	307	307	—	—
International (b)	501	501	—	—
	1,449	1,449	—	—
Debt securities:				
Corporate (c)	227	—	227	—
Government	276	—	276	—
International	6	—	6	—
Mutual funds:				
Domestic (d)	450	450	—	—
	959	450	509	—
Other:				
Diversified mutual fund	110	110	—	—
Real estate partnerships	29	7	—	22
Private equity / debt	235	—	—	235
Hedge funds	285	107	—	178

Guaranteed deposit fund

9

9

—

—

668

224

—

444

Total (e)

3,141

2,164

533

444

\$

\$

\$

\$

163

(Dollars in millions) Asset category:	Fair Value Measurement of Plan Assets At December 31, 2022			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money-market investments				
	\$ 90	\$ 52	\$ 38	\$ —
Equity securities:				
M&T				
	118	118	—	—
Domestic (a)	450	450	—	—
International (b)	19	19	—	—
Mutual funds:				
Domestic (a)	279	279	—	—
International (b)	477	477	—	—
	1,343	1,343	—	—
Debt securities:				
Corporate (c)	200	—	200	—
Government	236	—	236	—
International	15	—	15	—
Mutual funds:				
Domestic (d)	422	422	—	—
	873	422	451	—
Other:				
Diversified mutual fund	108	108	—	—
Real estate partnerships	27	7	—	20
Private equity / debt	211	—	—	211
Hedge funds	276	109	—	167

Guaranteed deposit fund

1010

632	224	—	408

Total (e)

\$	2,938	\$	2,041	\$	489	\$	408

- (a) This category is mainly comprised of equities of companies primarily within the small-cap, mid-cap and large-cap sectors of the U.S. economy and range across diverse industries.
- (b) This category is comprised of equities in companies primarily within the mid-cap and large-cap sectors of international markets mainly in developed and emerging markets in Europe and the Pacific Rim.
- (c) This category represents investment grade bonds of U.S. issuers from diverse industries.
- (d) Approximately

73

% of the mutual funds were invested in investment grade bonds and

27

% in high-yielding bonds at each of December 31, 2023 and 2022. The holdings within the funds were spread across diverse industries.

(e) Excludes dividends and interest receivable totaling \$

4

million at each of December 31, 2023 and 2022.

The changes in Level 3 pension plan assets measured at estimated fair value on a recurring basis during the year ended December 31, 2023 were as follows:

(Dollars in millions)	Balance – January 1, 2023	Net Purchases (Sales)	Realized/ Unrealized Gains (Losses)	Balance – December 31, 2023
Real estate partnerships	20	2	—	22
Private equity/debt	211	12	12	235
Hedge funds	167	—	11	178
Guaranteed deposit fund	10	—	(1)	9
Total	408	14	22	444

The Company makes contributions to its funded qualified defined benefit pension plan as required by government regulation or as deemed appropriate by management after considering factors such as the fair value of plan assets, expected returns on such assets and the present value of benefit obligations of the plan. The Company is not required to make contributions to the qualified defined benefit plan in 2024, however, subject to the impact of actual events and circumstances that may occur in 2024, the Company may make contributions, but the amount of any such contributions has not been determined. The Company regularly funds the payment of benefit obligations for the supplemental defined benefit pension and postretirement benefit plans because such plans do not hold assets for investment. Payments made by the Company for supplemental pension benefits were \$

18
million and \$

14
million in 2023 and 2022, respectively. Payments made by the Company for postretirement benefits were \$

3

million in each of 2023 and 2022. Payments for supplemental pension and other postretirement benefits for 2024 are not expected to differ from those made in 2023 by an amount that will be material to the Company's consolidated financial position.

Estimated benefits expected to be paid in future years related to the Company's defined benefit pension and other postretirement benefits plans are as follows:

(Dollars in millions)	Pension Benefits	Other Postretirement Benefits
Year ending December 31:		
2024	150	4
2025	154	4
2026	157	4
2027	160	4
2028	164	4

The Company also provides a qualified defined contribution pension plan to eligible employees who were not participants in the defined benefit pension plan as of December 31, 2005 and to other employees who have elected to participate in the defined contribution plan. The Company makes contributions to the defined contribution plan each year in an amount that is based on an individual participant's total compensation (generally defined as total wages, incentive compensation, commissions and bonuses) and years of service. Company contributions to the plan are discretionary for participants for which eligibility occurred after January 1, 2020. Participants do not contribute to the defined contribution pension plan. Pension expense recorded in 2023, 2022 and 2021 associated with the defined contribution pension plan was \$

56
million, \$

45
million and \$

40
million, respectively.

The Company has a retirement savings plan that is a defined contribution plan in which eligible employees of the Company may defer up to

50
% of qualified compensation via contributions to the plan. The retirement savings plan provides for employer matching contributions of

100
% of an employee's qualified compensation up to

5
%. Employees' accounts, including employee contributions, employer matching contributions and accumulated earnings thereon, are at all times fully vested and

nonforfeitable. Employee benefits expense resulting from the Company's contributions to the retirement savings plan totaled \$

96
million, \$

84
million and \$

63
million in 2023, 2022 and 2021, respectively.

14. Income taxes

The components of income tax expense were as follows:

(Dollars in millions)	Year Ended December 31,		
	2023	2022	2021
Current:			
Federal	\$ 580	\$ 367	\$ 332
State and local	228	143	85
Total current	808	510	417
Deferred:			
Federal	(64)	(18)	72
State and local	(33)	(12)	15
Total deferred	(97)	(30)	87
Amortization of investments in qualified affordable housing projects	167	140	92
Total income taxes applicable to pre-tax income	\$ 878	\$ 620	\$ 596

The Company files a consolidated federal income tax return reflecting taxable income earned by all domestic subsidiaries. In prior years, applicable federal tax law allowed certain financial institutions the option of deducting as bad debt expense for tax purposes amounts in excess of actual losses. In accordance with GAAP, such financial institutions were not required to provide deferred income taxes on such excess. Recapture of the excess tax bad debt reserve established under the previously allowed method will result in taxable income if M&T Bank fails to maintain bank status as defined in the Internal Revenue Code or charges are made to the reserve for other than bad debt losses. At December 31, 2023, M&T Bank's tax bad debt reserve for which no federal income taxes have been provided was \$

137
million. No actions are planned that would cause this reserve to become wholly or partially taxable.

Total income taxes differed from the amount computed by applying the statutory federal income tax rate to pre-tax income as follows:

(Dollars in millions)	Year Ended December 31,		
	2023	2022	2021

Income taxes at statutory federal income tax rate			
	760	548	516
	\$	\$	\$
Increase (decrease) in taxes:			
Tax-exempt income	(	(	(
	51	37	21
	)	)	)
State and local income taxes, net of federal income tax effect			
	161	110	101
Qualified affordable housing project tax benefits, net	(	(	(
	26	22	15
	)	)	)
Other			
	34	21	15
	878	620	596
	\$	\$	\$

Deferred tax assets (liabilities) were comprised of the following at December 31:

(Dollars in millions)	2023	2022	2021
Losses on loans and other assets	\$ 686	\$ 641	\$ 396
Operating lease liabilities	182	183	110
Postretirement and other employee benefits	47	—	32
Incentive and other compensation plans	30	34	25
Unrealized losses	64	115	—
Interest on loans	42	54	—
Losses on cash flow hedges	52	87	—
Stock-based compensation	54	51	33
Other	153	81	52
Gross deferred tax assets	1,310	1,246	648
Right-of-use assets and other leasing transactions	(336)	(367)	(249)
Unrealized gains	—	—	27
Retirement benefits	(198)	(88)	(46)
Capitalized servicing rights	(38)	(51)	(53)
Postretirement and other employee benefits	—	29	—
Depreciation and amortization	(157)	(155)	(93)
Interest on loans	—	—	7
Gains on cash flow hedges	—	—	23

Other	(	(	(
	59	69	88
	)	)	)
Gross deferred tax liabilities	(	(	(
	788	759	586
	)	)	)
Net deferred tax asset			
	522	487	62
	<u>\$</u>	<u>\$</u>	<u>\$</u>

The Company believes that it is more likely than not that the deferred tax assets will be realized through taxable earnings or alternative tax strategies.

The income tax credits shown in the statement of income of M&T in note 26 arise principally from operating losses before dividends from subsidiaries.

A reconciliation of the beginning and ending amount of unrecognized tax benefits follows:

(Dollars in millions)	Federal, State and Local Tax	Accrued Interest	Unrecognized Income Tax Benefits
Gross unrecognized tax benefits at January 1, 2021			
	\$ 49	\$ 8	\$ 56
Increases as a result of tax positions taken in prior years			
	—	3	3
Decreases as a result of tax positions taken in prior years	(	(	(
	11	3	14
	)	)	)
Gross unrecognized tax benefits at December 31, 2021			
	38	8	45
Increases as a result of tax positions taken in prior years			
	—	3	3
Unrecognized tax benefits assumed in a business combination			
	3	1	5
Decreases as a result of tax positions taken in prior years	(	(	(
	11	4	15
	)	)	)
Gross unrecognized tax benefits at December 31, 2022			
	30	8	38
Increases as a result of tax positions taken in prior years			
	5	1	6
Decreases as a result of tax positions taken in prior years	(	(	(
	13	3	16
	)	)	)
Gross unrecognized tax benefits at December 31, 2023			
	22	6	28
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Less: Federal, state and local income tax benefits			(
			6
			)
Net unrecognized tax benefits at December 31, 2023 that, if recognized, would impact the effective income tax rate			22
			<u>\$</u>

The Company's policy is to recognize interest and penalties, if any, related to unrecognized tax benefits in income taxes in the Consolidated Statement of Income. The Company's federal, state and local income tax returns are routinely subject to examinations from various governmental taxing authorities. Such examinations may result in challenges to the tax return treatment applied by the

Company to specific transactions. Management believes that the assumptions and judgment used to record tax-related assets or liabilities have been appropriate. Should determinations rendered by tax authorities ultimately indicate that management's assumptions were inappropriate, the result and adjustments required could have a material effect on the Company's results of operations. Examinations by the Internal Revenue Service of the Company's federal income tax returns have been largely concluded through 2021, although under statute the income tax returns from 2020 through 2022 could be adjusted. The Company also files income tax returns in over

forty states and numerous local jurisdictions. Substantially all material state and local matters have been concluded for years through 2014. It is not reasonably possible to estimate when examinations for any subsequent years will be completed.

15. Earnings per common share

The computations of basic earnings per common share follow:

(Dollars in millions, except per share, shares in thousands)	Year Ended December 31,		
	2023	2022	2021
Income available to common shareholders:			
Net income	\$ 2,741	\$ 1,992	\$ 1,859
Less: Preferred stock dividends	(100)	(97)	(73)
Net income available to common equity	2,641	1,895	1,786
Less: Income attributable to unvested stock-based compensation awards	(5)	(4)	(9)
Net income available to common shareholders	<u>\$ 2,636</u>	<u>\$ 1,891</u>	<u>\$ 1,777</u>
Weighted-average shares outstanding:			
Common shares outstanding (including common stock issuable) and unvested stock-based compensation awards	166,662	163,489	129,539
Less: Unvested stock-based compensation awards	(301)	(315)	(890)
Weighted-average shares outstanding	<u>166,361</u>	<u>163,174</u>	<u>128,649</u>
Basic earnings per common share	\$ 15.85	\$ 11.59	\$ 13.81

The computations of diluted earnings per common share follow:

(Dollars in millions, except per share, shares in thousands)	Year Ended December 31,		
	2023	2022	2021
Net income available to common equity	\$ 2,641	\$ 1,895	\$ 1,786
Less: Income attributable to unvested stock-based compensation awards	(5)	(4)	(9)

Net income available to common shareholders			
	2,636	1,891	1,777
	\$	\$	\$
Adjusted weighted-average shares outstanding:			
Common shares outstanding (including common stock issuable) and unvested stock-based compensation awards	166,662	163,489	129,539
Less: Unvested stock-based compensation awards	(	(	(
	301	315	890
	)	)	)
Plus: Incremental shares from assumed conversion of stock-based compensation awards and warrants to purchase common stock	641	856	163
Adjusted weighted-average shares outstanding	167,002	164,030	128,812
Diluted earnings per common share			
	15.79	11.53	13.80
	\$	\$	\$

GAAP defines unvested share-based awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) as participating securities that shall be included in the computation of earnings per common share pursuant to the two-class method. The Company has issued stock-based compensation awards in the form of restricted stock and restricted stock units, which, in accordance with GAAP, are considered participating securities.

Stock-based compensation awards to purchase common stock of M&T representing common shares of

1,834,000
in 2023,

453,000
in 2022 and

461,000
in 2021 were not included in the computations of diluted earnings per common share because the effect on those years would have been antidilutive.

16. Comprehensive income

The following tables display the components of other comprehensive income (loss) and amounts reclassified from accumulated other comprehensive income (loss) to net income:

(Dollars in millions)	Investment Securities	Defined Benefit Plans	Cash Flow Hedges and Other	Total Amount Before Tax	Income Tax	Net
Balance — January 1, 2023	(	(	(	(		(
	444	273	349	1,066	276	790
	\$)	\$)	\$)	\$)	\$)	\$)
Other comprehensive income before reclassifications:						
Unrealized holding gains, net					(	
	193	—	—	193	51	142
					)	
Foreign currency translation adjustment					(	
	—	—	5	5	1	4
					)	
Unrealized losses on cash flow hedges			(	(		(
			116	116	30	86
	—	—	)	)		)
Current year benefit plans gains					(	
		125		125	33	92
	—		—		)	
			(		(	
Total other comprehensive income (loss) before reclassifications	193	125	111	207	55	152
			)		)	
Amounts reclassified from accumulated other comprehensive income that (increase) decrease net income:						
Net yield adjustment from cash flow hedges currently in effect					(	
			250	250	66	184
	—	—		(a)	)	
Amortization of prior service credit		(		(		(
		2		2	1	1
	—	)	—	)	)	)
Amortization of actuarial gains		(		(		(
		5		5	1	4
	—	)	—	)	)	)
Total other comprehensive income (loss)					(	
	193	118	139	450	119	331
					)	
Balance — December 31, 2023	(	(	(	(		(
	251	155	210	616	157	459
	\$)	\$)	\$)	\$)	\$)	\$)
Balance — January 1, 2022		(		(		(
	105	360	84	171	44	127
	\$)	\$)	\$)	\$)	\$)	\$)
Other comprehensive income before reclassifications:						

Unrealized holding losses, net	(			(		(
	551	—	—	551	143	408
	)			)		)
Foreign currency translation adjustment			(	(		(
			8	8	2	6
	—	—	)	)		)
Unrealized losses on cash flow hedges			(	(		(
			461	461	119	342
	—	—	)	)		)
Current year benefit plans gains					(	
		71		71	18	53
	—		—		)	
	(		(	(		(
Total other comprehensive income (loss) before reclassifications	551	71	469	949	246	703
	)		)	)		)
Amounts reclassified from accumulated other comprehensive income that (increase) decrease net income:						
Amortization of unrealized holding losses on held-to-maturity securities					(	
	2	—	—	2 (a)	1	1
				)	)	
Net yield adjustment from cash flow hedges currently in effect					(	
	—	—	36	36 (a)	9	27
				)	)	
Amortization of prior service credit		(		(		(
		2		2 (b)		2
	—	)	—	)	—	)
Amortization of actuarial losses					(	
		18		18 (b)	4	14
	—		—	)	)	
Total other comprehensive income (loss)	(		(	(		(
	549	87	433	895	232	663
	)		)	)		)
Balance — December 31, 2022				(		
	(	(	(			(
	444	273	349	1,066	276	790
	\$)	\$)	\$)	\$)	\$)	\$)

(Dollars in millions)	Investment Securities	Defined Benefit Plans	Cash Flow Hedges and Other	Total Amount Before Tax	Income Tax	Net
Balance — January 1, 2021		(		(		(
	196	650	370	84	22	62
	\$	\$	\$	\$	\$	\$
Other comprehensive income before reclassifications:						
Unrealized holding losses, net	(			(		(
	95	—	—	95	25	70
	)			)		)
Foreign currency translation adjustment			(	(		(
			1	1		1
	—	—	)	)	—	)
Unrealized losses on cash flow hedges			(	(		(
			32	32	8	24
	—	—	)	)		)
Current year benefit plans gains					(	
		206		206	54	152
	—		—		)	
	(		(		(	
Total other comprehensive income (loss) before reclassifications	95	206	33	78	21	57
	)		)		)	
Amounts reclassified from accumulated other comprehensive income that (increase) decrease net income:						
Amortization of unrealized holding losses on held-to-maturity securities					(	
	4	—	—	4	1	3
				(a)	)	
Net yield adjustment from cash flow hedges currently in effect			(	(		(
			253	253	66	187
	—	—	)	)	(a)	)
Amortization of prior service credit		(		(		(
		4		4	1	3
	—	)	—	)	(b)	)
Amortization of actuarial losses					(	
		88		88	23	65
	—		—	)	)	
Total other comprehensive income (loss)	(		(	(		(
	91	290	286	87	22	65
	)		)	)		)
Balance — December 31, 2021		(		(		(
	105	360	84	171	44	127
	\$	\$	\$	\$	\$	\$

(a)Included in interest income.

(b)Included in other costs of operations.

Accumulated other comprehensive income (loss), net consisted of the following:

(Dollars in millions)	Investment Securities	Defined Benefit Plans	Cash Flow Hedges and Other	Total
Balance at January 1, 2021		(		(
	145	481	274	62
	\$	\$	\$	\$
Net gain (loss) during 2021	(		(	(
	67	214	212	65
	)		)	)
Balance at December 31, 2021		(		(
	78	267	62	127
	)		)	)
Net gain (loss) during 2022	(		(	(
	407	65	321	663
	)		)	)

Balance at December 31, 2022	(	(	(	(
	329	202	259	790
	)	)	)	)
Net gain during 2023				
	142	87	102	331
Balance at December 31, 2023	(	(	(	(
	187	115	157	459
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

17. Other income and other expense

The following items, which exceeded 1% of total interest income and other income in the respective period, were included in either "other revenues from operations" or "other costs of operations" in the Consolidated Statement of Income:

(Dollars in millions)	Year Ended December 31,		
	2023	2022	2021
Other revenues from operations:			
Gain on divestiture of CIT			
		225	
	\$		
Credit-related fee income			
	151	130	91
		\$	\$
Gain on divestiture of MTIA			
		136	
Credit card interchange fee income			
			70
Merchant discount fee income			
			61
Other costs of operations:			
Amortization of capitalized mortgage servicing rights			
	131	97	90
Charitable contributions			
		178	

18. International activities

The Company engages in limited international activities including certain trust-related services in Europe, foreign currency transactions associated with customer activity, providing credit to support the international activities of domestic companies, holding certain loans to foreign borrowers and, prior to June 2021, collecting Eurodollar deposits for a Cayman Islands office. Assets and revenues associated with international activities represent less than

1
% of the Company's consolidated assets

and revenues. International assets included \$

303
million and \$

319
million of loans to foreign borrowers at December 31, 2023 and 2022, respectively. Deposits at M&T Bank's office in Ontario, Canada were \$

28
million at December 31, 2023 and \$

34
million at December 31, 2022. Revenues from providing international trust-related services were approximately \$

42
million in 2023, \$

36
million in 2022 and \$

38
million in 2021.

19. Derivative financial instruments

As part of managing interest rate risk, the Company enters into interest rate swap agreements to modify the repricing characteristics of certain portions of the Company's portfolios of earning assets and interest-bearing liabilities. The Company designates interest rate swap agreements utilized in the management of interest rate risk as either fair value hedges or cash flow hedges. Interest rate swap agreements are generally entered into with counterparties that meet established credit standards and most contain master netting, collateral and/or settlement provisions protecting the at-risk party. Based on adherence to the Company's credit standards and the presence of the netting, collateral or settlement provisions, the Company believes that the credit risk inherent in these contracts was not material as of December 31, 2023.

The net effect of interest rate swap agreements was to decrease net interest income by \$

302
million in 2023 and \$

26
million in 2022 and to increase net interest income by \$

287
million in 2021.

Information about interest rate swap agreements entered into for interest rate risk management purposes summarized by type of financial instrument the interest rate swap agreements were intended to hedge follows:

(Dollars in millions)	Notional Amount	Average Maturity (In years)	Weighted- Average Rate		Estimated Fair Value Gain (Loss) (a)
			Fixed	Variable	
December 31, 2023					
Fair value hedges:					
Fixed rate long-term borrowings (b) (c)					(
	\$ 3,000	5.8	3.45	5.62	1
			%	%	\$)
Cash flow hedges:					
Interest payments on variable rate commercial real estate loans (b) (d)					
	23,977	1.7	3.45	5.36	11
Total					
	\$ 26,977	2.2			10
	\$				\$
December 31, 2022					
Fair value hedges:					

Fixed rate long-term borrowings (b)						(
		1,500	3.3	2.98	4.52	1
	\$			%	% \$	)
Cash flow hedges:						
Interest payments on variable rate commercial real estate loans (b) (e)						(
		15,900	1.4	1.91	4.38	7
						)
Total						(
		17,400	1.6			8
	\$				\$	)

(a) Certain clearinghouse exchanges consider payments by counterparties for variation margin on derivative instruments to be settlements of those positions. The impact of such payments for interest rate swap agreements designated as fair value hedges was a net settlement of losses of \$

43
million at December 31, 2023 and a net settlement of losses of \$

65
million at December 31, 2022. The impact of such payments on interest rate swap agreements designated as cash flow hedges was a net settlement of losses of \$

214
million at December 31, 2023 and a net settlement of losses of \$

330
million at December 31, 2022.

(b) Under the terms of these agreements, the Company receives settlement amounts at a fixed rate and pays at a variable rate.

(c) Includes notional amount and terms of \$

1.0
billion of forward-starting interest rate swap agreements that become effective in 2025.

(d) Includes notional amount and terms of \$

9.0
billion of forward-starting interest rate swap agreements that become effective in 2024.

(e) Includes notional amount and terms of \$

4.7
billion of forward-starting interest rate swap agreements that became effective in 2023.

The notional amount of interest rate swap agreements entered into for risk management purposes that were outstanding at December 31, 2023 mature as follows:

(Dollars in millions)

Year ending December 31:

2024	
	\$ 3,158
2025	
	10,369
2026	
	10,450
2027	
	1,000
2028	
	1,000
2033	
	1,000
	\$ 26,977

The Company also has commitments to sell and commitments to originate residential and commercial real estate loans that are considered derivatives. The Company designates certain of the commitments to sell real estate loans as fair value hedges of real estate loans held for sale. The Company also utilizes commitments to sell real estate loans to offset the exposure to changes in the fair value of certain commitments to originate real estate loans for sale. Changes in unrealized gains and losses are included in mortgage banking revenues and, in general, are realized in subsequent periods as the related loans are sold and commitments satisfied.

Other derivative financial instruments not designated as hedging instruments included interest rate contracts, foreign exchange and other option and futures contracts. Interest rate contracts not designated as hedging instruments had notional values of \$

44.4
billion and \$

45.1
billion at December 31, 2023 and 2022, respectively. The notional amounts of foreign currency and other option and futures contracts not designated as hedging instruments aggregated \$

1.5
billion and \$

1.7
billion at December 31, 2023 and 2022, respectively.

Information about the fair values of derivative instruments in the Company's Consolidated Balance Sheet and Consolidated Statement of Income follows:

	Asset Derivatives Fair Value		Liability Derivatives Fair Value	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
(Dollars in millions)				
Derivatives designated and qualifying as hedging instruments (a)				
Interest rate swap agreements	\$ 12	\$ 1	\$ 2	\$ 9
Commitments to sell real estate loans	6	3	8	—

	18	4	10	9
Derivatives not designated and qualifying as hedging instruments (a)				
Mortgage banking:				
Commitments to originate real estate loans for sale	15	—	32	46
Commitments to sell real estate loans	35	51	3	—
	50	51	35	46
Other:				
Interest rate contracts (b)	237	356	879	1,278
Foreign exchange and other option and futures contracts	19	24	19	22
	256	380	898	1,300
Total derivatives				
	324	435	943	1,355
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(a) Asset derivatives are reported in "accrued interest and other assets" and liability derivatives are reported in "accrued interest and other liabilities".

(b) The impact of variation margin payments at December 31, 2023 and 2022 was a reduction of the estimated fair value of interest rate contracts not designated as hedging instruments in an asset position of \$

783

million and \$

1.1

billion, respectively, and in a liability position of \$

32

million and \$

29

million, respectively.

(Dollars in millions)	Amount of Gain (Loss) Recognized Year ended December 31,					
	2023		2022		2021	
	Derivative	Hedged Item	Derivative	Hedged Item	Derivative	Hedged Item
Derivatives in fair value hedging relationships						
Interest rate swap agreements:						
Fixed rate long-term borrowings (a)		(	(		(	
	22	21	109	109	59	58
	\$	\$	\$	\$	\$	\$
Derivatives not designated as hedging instruments						
Interest rate contracts (b)						
	31		28		12	
	\$		\$		\$	
Foreign exchange and other option and futures contracts (b)						
	15		14		9	
Total						
	46		42		21	
	\$		\$		\$	

(a) Reported as an adjustment to "interest expense" in the Consolidated Statement of Income.

(b) Reported as "trading account and other non-hedging derivative gains" in the Consolidated Statement of Income.

(Dollars in millions)	Carrying Amount of the Hedged Item		Cumulative Amount of Fair Value Hedging Adjustment Increasing (Decreasing) the Carrying Amount of the Hedged Item	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Location in the Consolidated Balance Sheet of the Hedged Items in Fair Value Hedges				
Long-term borrowings				
			(	(
	2,954	1,434	44	65
	\$	\$	\$	\$

The amount of interest income recognized in the Consolidated Statement of Income associated with derivatives designated as cash flow hedges was a decrease of \$

250
million for 2023 and a decrease of \$

36
million for 2022. As of December 31, 2023, the unrealized loss recognized in other comprehensive income related to cash flow hedges was \$

203
million, of which losses of \$

5
million and \$

211
million and gains of \$

13
million relate to interest rate swap agreements maturing in 2024, 2025 and 2026, respectively.

The Company does not offset derivative asset and liability positions in its consolidated financial statements. The Company's exposure to credit risk by entering into derivative contracts is mitigated through master netting agreements and collateral posting or settlement requirements. Master netting agreements covering interest rate and foreign exchange contracts with the same party include a right to set-off that becomes enforceable in the event of default, early termination or under other specific conditions.

The aggregate fair value of derivative financial instruments in a liability position, which are subject to enforceable master netting arrangements, and the related collateral posted, was not material at each of December 31, 2023 and 2022. Certain of the Company's

derivative financial instruments contain provisions that require the Company to maintain specific credit ratings from credit rating agencies to avoid higher collateral posting requirements. If the Company's debt ratings were to fall below specified ratings, the counterparties of the derivative financial instruments could demand immediate incremental collateralization on those instruments in a net liability position. The aggregate fair value of all derivative financial instruments with such credit risk-related contingent features in a net liability position on December 31, 2023 was not material.

The aggregate fair value of derivative financial instruments in an asset position with counterparties, which are subject to enforceable master netting arrangements, was \$

179

million and \$

314

million at December 31, 2023 and 2022, respectively. Counterparties posted collateral relating to those positions of \$

179

million and \$

312

million at December 31, 2023 and 2022, respectively. Interest

rate swap agreements entered into with customers are subject to the Company's credit risk standards and often contain collateral provisions.

In addition to the derivative contracts noted above, the Company clears certain derivative transactions through a clearinghouse, rather than directly with counterparties. Those transactions cleared through a clearinghouse require initial margin collateral and variation margin payments depending on the contracts being in a net asset or liability position. The amount of initial margin collateral posted by the Company was \$

129

million and \$

205

million at December 31, 2023 and 2022, respectively. The fair value asset and liability amounts of derivative contracts have been reduced by variation margin payments treated as settlements as described herein. Variation margin on derivative contracts not treated as settlements continues to represent collateral posted or received by the Company.

20. Variable interest entities and asset securitizations

The Company's securitization activity includes securitizing loans originated for sale into government issued or guaranteed mortgage-backed securities. The Company has

no

t recognized any losses as a result of having securitized assets.

In August 2023, a subsidiary of M&T Bank issued asset-backed notes secured by equipment finance loans and leases. Approximately \$

666

million of such loans and leases were sold into a special purpose trust which in turn issued asset-backed notes to investors. The loans and leases continue to be serviced by the subsidiary. A total of \$

550

million of such notes, representing the senior-most notes in the securitization, were purchased by third parties. Those asset-backed notes had a weighted-average estimated life of approximately two years and a weighted-average interest rate of

5.84

% at the time of securitization. Additionally, \$

88

million of asset-backed notes representing subordinate note classes and other residual interests were issued by the trust and retained by the Company. As a result of the retention of the subordinate interests and its continued role as servicer of the loans and leases, the Company is considered to be the primary beneficiary of the securitization trust and, accordingly, the trust has been included in the Company's consolidated financial statements. At December 31, 2023, the remaining balance of the loans and leases in trust was \$

599

million and the outstanding asset-backed notes issued to third party investors was \$

474

million.

As described in note 9, the Junior Subordinated Debentures are held by various trusts and were issued in connection with the issuance by those trusts of Preferred Capital Securities and Common Securities. M&T owns the Common Securities of those trust entities. The Company is not considered to be the primary beneficiary of those entities and, accordingly, the trusts are not included in the Company's consolidated financial statements. At each of December 31, 2023 and 2022, the Company included the Junior Subordinated Debentures as "long-term borrowings" in its Consolidated Balance Sheet and recognized \$

22

million, in other assets for its "investment" in the Common Securities of the trusts that will be concomitantly repaid to M&T by the respective trust from the proceeds of M&T's repayment of the Junior Subordinated Debentures associated with Preferred Capital Securities described in note 9.

The Company has invested as a limited partner in various partnerships that collectively had total assets of approximately \$

9.8

billion at December 31, 2023 and \$

9.2

billion at December 31, 2022. Those partnerships generally construct or acquire properties, including properties and facilities that produce renewable energy, for which the investing partners are eligible to receive certain federal income tax credits in accordance with government guidelines. Such investments also typically provide tax deductible losses to the partners. The partnership

investments also assist the Company in achieving its community reinvestment initiatives. As a limited partner, there is no recourse to the Company by creditors of the partnerships. However, the tax credits that result from the Company's investments in such partnerships are generally subject to recapture should a partnership fail to comply with the respective government regulations. The Company's carrying amount of its investments in such

partnerships was \$

1.5
billion, including \$

441
million of unfunded commitments, at December 31, 2023 and \$

1.5
billion, including \$

545
million of unfunded commitments at December 31, 2022. Contingent commitments to provide additional capital contributions to these partnerships were \$

55
million at December 31, 2023. The Company has not provided financial or other support to the partnership that was not contractually required. The Company's maximum exposure to loss from its investments in such partnerships as of December 31, 2023 was \$

2.1
billion, including possible recapture of tax credits. Management currently estimates that no material losses are probable as a result of the Company's involvement with such entities. The Company, in its position as limited partner, does not direct the activities that most significantly impact the economic performance of the partnerships and, therefore, in accordance with the accounting provisions for variable interest entities, the partnership entities are not included in the Company's consolidated financial statements. The Company's investment in qualified affordable housing projects is amortized to income taxes in the Consolidated Statement of Income as tax credits and other tax benefits resulting from deductible losses associated with the projects are received.

The Company serves as investment advisor for certain registered money-market funds. The Company has no explicit arrangement to provide support to those funds, but may waive portions of its allowable management fees as a result of market conditions.

21. Fair value measurements

GAAP permits an entity to choose to measure eligible financial instruments and other items at fair value. The Company has not made any fair value elections at December 31, 2023.

Pursuant to GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level hierarchy exists in GAAP for fair value measurements based upon the inputs to the valuation of an asset or liability.

- Level 1 — Valuation is based on quoted prices in active markets for identical assets and liabilities.
- Level 2 — Valuation is determined from quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar instruments in markets that are not active or by model-based techniques in which all significant inputs are observable in the market.
- Level 3 — Valuation is derived from model-based and other techniques in which at least one significant input is unobservable and which may be based on the Company's own estimates about the assumptions that market participants would use to value the asset or liability.

When available, the Company attempts to use quoted market prices in active markets to determine fair value and classifies such items as Level 1 or Level 2. If quoted market prices in active markets are not available, fair value is often determined using model-based techniques incorporating various assumptions including interest rates, prepayment speeds and credit losses. Assets and liabilities valued using model-based techniques are classified as either Level 2 or Level 3, depending on the lowest level classification of an input that is considered significant to the overall valuation. The following is a description of the valuation methodologies used for the Company's assets and liabilities that are measured on a recurring basis at estimated fair value.

Trading account

Mutual funds held in connection with deferred compensation and other arrangements have been classified as Level 1 valuations. Valuations of investments in municipal and other bonds can generally be obtained through reference to quoted prices in less active markets for the same or similar securities or through model-based techniques in which all significant inputs are observable and, therefore, such valuations have been classified as Level 2.

Available-for-sale investment securities and equity securities

The majority of the Company's available-for-sale investment securities have been valued by reference to prices for similar securities or through model-based techniques in which all significant inputs are observable and, therefore, such valuations have been classified as Level 2. Certain investments in mutual funds and equity securities are actively traded and, therefore, have been classified as Level 1 valuations.

Real estate loans held for sale

The Company utilizes commitments to sell real estate loans to hedge the exposure to changes in fair value of real estate loans held for sale. The carrying value of hedged real estate loans held for sale includes changes in estimated fair value during the hedge period. Typically, the Company attempts to hedge real estate loans held for sale from the date of close through the sale date. The fair value of hedged real estate loans held for sale is generally calculated by reference to quoted prices in secondary markets for commitments to sell real estate loans with similar characteristics and, accordingly, such loans have been classified as a Level 2 valuation.

Commitments to originate real estate loans for sale and commitments to sell real estate loans

The Company enters into various commitments to originate real estate loans for sale and commitments to sell real estate loans. Such commitments are accounted for as derivative financial instruments and, therefore, are carried at estimated fair value on the Consolidated Balance Sheet. The estimated fair values of such commitments were generally calculated by reference to quoted prices in secondary markets for commitments to sell real estate loans to certain government-sponsored entities and other parties. The fair valuations of commitments to sell real estate loans generally result in a Level 2 classification. The estimated fair value of commitments to originate real estate loans for sale is adjusted to reflect the Company's anticipated commitment expirations. The estimated commitment expirations are considered significant unobservable inputs contributing to the Level 3 classification of commitments to originate real estate loans for sale. Significant unobservable inputs used in the determination of estimated fair value of commitments to originate real estate loans for sale are included in the accompanying table of significant unobservable inputs to Level 3 measurements.

Interest rate swap agreements used for interest rate risk management

The Company utilizes interest rate swap agreements as part of the management of interest rate risk to modify the repricing characteristics of certain portions of its portfolios of earning assets and interest-bearing liabilities. The Company generally determines the fair value of its interest rate swap agreements using externally developed pricing models based on market observable inputs and, therefore, classifies such valuations as Level 2. The Company has considered counterparty credit risk in the valuation of its interest rate swap agreement assets and has considered its own credit risk in the valuation of its interest rate swap agreement liabilities.

Other non-hedging derivatives

Other non-hedging derivatives consist primarily of interest rate contracts and foreign exchange contracts with customers who require such services with offsetting positions with third parties to minimize the Company's risk with respect to such transactions. The Company generally determines the fair value of its other non-hedging derivative assets and liabilities using externally developed pricing models based on market observable inputs and, therefore, classifies such valuations as Level 2.

The following tables present assets and liabilities at December 31, 2023 and 2022 measured at estimated fair value on a recurring basis:

(Dollars in millions)	Fair Value Measurements	Level 1	Level 2	Level 3
December 31, 2023				
Trading account				
	\$ 106	\$ 101	\$ 5	\$ —
Investment securities available for sale:				
U.S. Treasury and federal agencies	7,705	—	7,705	—
Mortgage-backed securities:				
Government issued or guaranteed				
Commercial	416	—	416	—
Residential	2,154	—	2,154	—
Other debt securities	165	—	165	—
	10,440	—	10,440	—
Equity securities	268	258	10	—
Real estate loans held for sale	379	—	379	—
Other assets (a)	324	—	309	15
Total assets	\$ 11,517	\$ 359	\$ 11,143	\$ 15
Other liabilities (a)	\$ 943	\$ —	\$ 911	\$ 32
Total liabilities	\$ 943	\$ —	\$ 911	\$ 32
December 31, 2022				
Trading account	\$ 118	\$ 118	\$ —	\$ —
Investment securities available for sale:				
U.S. Treasury and federal agencies	7,671	—	7,671	—

Mortgage-backed securities:				
Government issued or guaranteed				
Commercial	574	—	574	—
Residential	2,330	—	2,330	—
Other debt securities	174	—	174	—
	10,749	—	10,749	—
Equity securities	151	145	6	—
Real estate loans held for sale	162	—	162	—
Other assets (a)	435	—	435	—
Total assets				
	\$ 11,615	\$ 263	\$ 11,352	\$ —
Other liabilities (a)	1,355	—	1,309	46
Total liabilities	1,355	—	1,309	46

(a) Comprised predominantly of interest rate swap agreements used for interest rate risk management (Level 2), interest rate and foreign exchange contracts not designated as hedging instruments (Level 2), commitments to sell real estate loans (Level 2) and commitments to originate real estate loans to be held for sale (Level 3).

The changes in Level 3 assets and liabilities measured at estimated fair value on a recurring basis during the years ended December 31, 2023, 2022 and 2021 were as follows:

(Dollars in millions)	Other Assets and Other Liabilities		
	2023	2022	2021
	(		
Beginning balance	\$ 46)	\$ 6	\$ 43
Total gains (losses) realized/unrealized:			
	(		
Included in earnings (a)	36	34	126
	(	(	(
Transfers out of Level 3 (b)	7)	18)	163)
	(	(	
Ending balance	\$ 17)	\$ 46)	\$ 6
		(	
Changes in net unrealized gains (losses) included in earnings related to instruments still held at period end (a)	\$ 15	\$ 46	\$ 9

(a) Reported as "mortgage banking revenues" in the Consolidated Statement of Income and includes the fair value of commitment issuances and expirations.

(b) Transfers out of Level 3 consist of interest rate locks transferred to closed loans.

The Company is required, on a nonrecurring basis, to adjust the carrying value of certain assets or provide valuation allowances related to certain assets using fair value measurements. The more significant of those assets follow.

Loans

Loans are generally not recorded at fair value on a recurring basis. Periodically, the Company records nonrecurring adjustments to the carrying value of loans based on fair value measurements for partial charge-offs of the uncollectable portions of those loans. Nonrecurring adjustments also include certain impairment amounts for collateral-dependent loans when establishing the allowance for credit losses. Such amounts are generally based on the fair value of the underlying collateral supporting the loan and, as a result, the carrying value of the loan less the calculated valuation amount does not necessarily represent the fair value of the loan. Real estate collateral is typically valued using appraisals or other indications of value based on recent comparable sales of similar properties or assumptions generally observable in the marketplace and the related nonrecurring fair value measurement adjustments have generally been classified as Level 2, unless significant adjustments have been made to the valuation that are not readily observable by market participants. Non-real estate collateral supporting commercial and industrial loans generally consists of business assets such as receivables, inventory and equipment. Fair value estimations are typically determined by discounting recorded values of those assets to reflect estimated net realizable value considering specific borrower facts and circumstances and the experience of credit personnel in their dealings with similar borrower collateral liquidations. Such discounts were generally in the range of

10
% to

90
% with a weighted-average of

46
% at December 31, 2023. As these discounts are not readily observable and are considered significant, the valuations have been classified as Level 3. Automobile collateral is typically valued by reference to independent pricing sources based on recent sales transactions of similar vehicles and the related nonrecurring fair value measurement adjustments have been classified as Level 2. Collateral values for other consumer installment loans are generally estimated based on historical recovery rates for similar types of loans, which at December 31, 2023 was

49
%. As these recovery rates are not readily observable by market participants, such valuation adjustments have been classified as Level 3. Loans subject to nonrecurring fair value measurement were \$

923
million at December 31, 2023 (\$

234
million and \$

689
million of which were classified as Level 2 and Level 3, respectively), \$

853
million at December 31, 2022 (\$

329
million and \$

524
million of which were classified as Level 2 and Level 3, respectively), and \$

574
million at December 31, 2021 (\$

340
million and \$

234
million of which were classified as Level 2 and Level 3, respectively). Changes in fair value recognized during the years ended December 31, 2023, 2022 and 2021 for partial charge-offs of loans and loan impairment reserves on loans held by the

Company at the end of each of those years were decreases of \$

381
million, \$

191
million and \$

53
million, respectively.

Assets taken in foreclosure of defaulted loans

Assets taken in foreclosure of defaulted loans are primarily comprised of commercial and residential real property and are generally measured at the lower of cost or fair value less costs to sell. The fair value of the real property is generally determined using appraisals or other indications of value based on recent comparable sales of similar properties or assumptions generally observable in the marketplace, and the related nonrecurring fair value measurement adjustments have generally been classified as Level 2. Assets taken in foreclosure of defaulted loans subject to nonrecurring fair value measurement were not material at each of December 31, 2023 and 2022. Changes in fair value recognized during the years ended December 31, 2023, 2022 and 2021 for foreclosed assets held by the Company at the end of each of those years were not material.

Capitalized servicing rights

Capitalized servicing rights are initially measured at fair value in the Company's Consolidated Balance Sheet. The Company utilizes the amortization method to subsequently measure its capitalized servicing assets. In accordance with GAAP, the Company must record impairment charges, on a nonrecurring basis, when the carrying value of certain strata exceed their estimated fair value. To estimate the fair value of servicing rights, the Company considers market prices for similar assets, if available, and the present value of expected future cash flows associated with the servicing rights calculated using assumptions that market participants would use in estimating future servicing income and expense. Such assumptions include estimates of the cost of servicing loans, loan default rates, an appropriate discount rate and prepayment speeds. For purposes of evaluating and measuring impairment of capitalized servicing rights, the Company stratifies such assets based on the predominant risk characteristics of the underlying financial instruments that are expected to have the most impact on projected prepayments, cost of servicing and other factors affecting future cash flows associated with the servicing rights. Such factors may include financial asset or loan type, note rate and term. The amount of impairment recognized is the amount by which the carrying value of the capitalized servicing rights for a stratum exceed estimated fair value. Impairment is recognized through a valuation allowance. The determination of fair value of capitalized servicing rights is considered a Level 3 valuation. Capitalized servicing rights related to residential mortgage loans required

no

valuation allowance at each of December 31, 2023 and 2022. Changes in fair value recognized for impairment of capitalized servicing rights related to residential mortgage loans were decreases in the valuation allowance of \$

24
million and \$

6
million in 2022 and 2021, respectively.

Significant unobservable inputs to Level 3 measurements

The following tables present quantitative information about significant unobservable inputs used in the fair value measurements for Level 3 assets and liabilities at December 31, 2023 and 2022:

(Dollars in millions)	Fair Value	Valuation Technique	Unobservable Inputs / Assumptions	Range (Weighted-Average)
December 31, 2023				
<u>Recurring fair value measurements</u>				
				0 % -
	(			99 % (
Net other assets (liabilities) (a)	\$ 17)	Discounted cash flow	Commitment expirations	5 %)
December 31, 2022				
<u>Recurring fair value measurements</u>				
				0 % -
	(			97 % (
Net other assets (liabilities) (a)	\$ 46)	Discounted cash flow	Commitment expirations	3 %)

(a) Other Level 3 assets (liabilities) consist of commitments to originate real estate loans.

Sensitivity of fair value measurements to changes in unobservable inputs

An increase (decrease) in the estimate of expirations for commitments to originate real estate loans would generally result in a lower (higher) fair value measurement. Estimated commitment expirations are derived considering loan type, changes in interest rates and remaining length of time until closing.

Disclosures of fair value of financial instruments

The carrying amounts and estimated fair value for financial instrument assets (liabilities) are presented in the following tables:

			December 31, 2023		
(Dollars in millions)	Carrying Amount	Estimated Fair Value	Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	1,731	1,731	1,668	63	—
	\$	\$	\$	\$	\$
Interest-bearing deposits at banks	28,069	28,069	—	28,069	—
Trading account	106	106	101	5	—
Investment securities	26,897	25,875	258	25,571	46
Loans and leases, net	131,939	129,138	—	7,240	121,898
Accrued interest receivable	786	786	—	786	—
Financial liabilities:					
Noninterest-bearing deposits	(49,294	(49,294	—	49,294	—
	\$)	\$)	\$ —	\$)	\$ —

Savings and interest-checking deposits	(	(	(						
	93,221	93,221	93,221						
	)	)	)	—					—
Time deposits	(	(	(						
	20,759	20,715	20,715						
	)	)	)	—					—
Short-term borrowings	(	(	(						
	5,316	5,316	5,316						
	)	)	)	—					—
Long-term borrowings	(	(	(						
	8,201	8,107	8,107						
	)	)	)	—					—
Accrued interest payable	(	(	(						
	482	482	482						
	)	)	)	—					—
Other financial instruments:									
Commitments to originate real estate loans for sale	(	(	(						(
	17	17							17
	)	)	)	—	—	—	—	—	)
Commitments to sell real estate loans									
	30	30							
				—					—
Other credit-related commitments	(	(	(						(
	154	154							154
	)	)	)	—					)
Interest rate swap agreements used for interest rate risk management									
	10	10							
				—					—
Interest rate and foreign exchange contracts not designated as hedging instruments	(	(	(						(
	642	642							642
	)	)	)	—					—

(Dollars in millions)	December 31, 2022				
	Carrying Amount	Estimated Fair Value	Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	1,517	1,517	1,372	145	—
	\$	\$	\$	\$	\$
Interest-bearing deposits at banks	24,959	24,959	—	24,959	—
Federal funds sold	3	3	—	3	—
Trading account	118	118	118	—	—
Investment securities	25,211	24,056	145	23,860	51
Loans and leases, net	129,639	126,228	—	7,180	119,048
Accrued interest receivable	646	646	—	646	—
Financial liabilities:					
Noninterest-bearing deposits	(65,502)	(65,502)	—	(65,502)	—
	\$	\$	\$	\$	\$
Savings and interest-checking deposits	(87,911)	(87,911)	—	(87,911)	—
Time deposits	(10,102)	(10,143)	—	(10,143)	—
Short-term borrowings	(3,555)	(3,555)	—	(3,555)	—
Long-term borrowings	(3,965)	(3,926)	—	(3,926)	—
Accrued interest payable	(81)	(81)	—	(81)	—
Other financial instruments:					
Commitments to originate real estate loans for sale	(46)	(46)	—	—	(46)
	\$	\$	\$	\$	\$
Commitments to sell real estate loans	54	54	—	54	—
Other credit-related commitments	(149)	(149)	—	—	(149)

Interest rate swap agreements used for interest rate risk management	(	(	(		
	8	8	8		
	)	)	)	—	—
Interest rate and foreign exchange contracts not designated as hedging instruments	(	(	(		
	920	920	920		
	)	)	)	—	—

With the exception of marketable securities, certain off-balance sheet financial instruments and mortgage loans originated for sale, the Company's financial instruments are not readily marketable and market prices do not exist. The Company, in attempting to comply with the provisions of GAAP that require disclosures of fair value of financial instruments, has not attempted to market its financial instruments to potential buyers, if any exist. Since negotiated prices in illiquid markets depend greatly upon the then present motivations of the buyer and seller, it is reasonable to assume that actual sales prices could vary widely from any estimate of fair value made without the benefit of negotiations. Additionally, changes in market interest rates can dramatically impact the value of financial instruments in a short period of time.

The Company does not believe that the estimated information presented herein is representative of the earnings power or value of the Company. The preceding analysis, which is inherently limited in depicting fair value, also does not consider any value associated with existing customer relationships nor the ability of the Company to create value through loan origination, deposit gathering or fee generating activities. Many of the estimates presented herein are based upon the use of highly subjective information and assumptions and, accordingly, the results may not be precise. Furthermore, because the disclosed fair value amounts were estimated as of the balance sheet date, the amounts actually realized or paid upon maturity or settlement of the various financial instruments could be significantly different.

22. Commitments and contingencies

In the normal course of business, various commitments and contingent liabilities are outstanding. The following table presents the Company's significant commitments. Certain of these commitments are not included in the Company's Consolidated Balance Sheet.

(Dollars in millions)	December 31, 2023	December 31, 2022
Commitments to extend credit:		
Commercial and industrial	\$ 28,566	\$ 27,471
Commercial real estate loans to be sold	916	349
Other commercial real estate	5,019	5,084
Residential real estate loans to be sold	163	31
Other residential real estate	331	505
Home equity lines of credit	8,109	8,262
Credit cards	5,578	5,465
Other	413	382
Standby letters of credit	2,289	2,377
Commercial letters of credit	62	65
Financial guarantees and indemnification contracts	4,036	4,022
Commitments to sell real estate loans	1,400	533

Commitments to extend credit are agreements to lend to customers, generally having fixed expiration dates or other termination clauses that may require payment of a fee. In addition to the amounts presented in the preceding table, the Company had discretionary funding commitments to commercial customers of \$

12.3
billion and \$

11.7

billion at December 31, 2023 and 2022, respectively, that the Company had the unconditional right to cancel prior to funding. Standby and commercial letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party. Standby letters of credit generally are contingent upon the failure of the customer to perform according to the terms of the underlying contract with the third party, whereas commercial letters of credit are issued to facilitate commerce and typically result in the commitment being funded when the underlying transaction is consummated between the customer and a third party. The credit risk associated with commitments to extend credit and standby and commercial letters of credit is essentially the same as that involved with extending loans to customers and is subject to normal credit policies. Collateral may be obtained based on management's assessment of the customer's creditworthiness.

Financial guarantees and indemnification contracts are predominantly comprised of recourse obligations associated with sold loans and other guarantees and commitments. Included in financial guarantees and indemnification contracts are loan principal amounts sold with recourse in conjunction with the Company's involvement in the Fannie Mae DUS program. The Company's

maximum credit risk for recourse associated with loans sold under this program totaled approximately \$

3.9

billion at each of December 31, 2023 and 2022. At December 31, 2023, the Company estimated that the recourse obligations described above were not material to the Company's consolidated financial position. There have been no material losses incurred as a result of those credit recourse arrangements.

Since many loan commitments, standby letters of credit, and guarantees and indemnification contracts expire without being funded in whole or in part, the contract amounts are not necessarily indicative of future cash flows.

The Company utilizes commitments to sell real estate loans to hedge exposure to changes in the fair value of real estate loans held for sale. Such commitments are accounted for as derivatives and along with commitments to originate real estate loans to be held for sale are recorded in the Consolidated Balance Sheet at estimated fair market value.

The Company is contractually obligated to repurchase previously sold residential real estate loans that do not ultimately meet investor sale criteria related to underwriting procedures or loan

documentation. When required to do so, the Company may reimburse loan purchasers for losses incurred or may repurchase certain loans. The Company reduces residential mortgage banking revenues by an estimate for losses related to its obligations to loan purchasers. The amount of those charges is based on the volume of loans sold, the level of reimbursement requests received from loan purchasers and estimates of losses that may be associated with previously sold loans. At December 31, 2023, the Company believes that its obligation to loan purchasers was not material to the Company's consolidated financial position.

M&T and its subsidiaries are subject in the normal course of business to various pending and threatened legal proceedings and other matters in which claims for monetary damages are asserted. On an on-going basis management, after consultation with legal counsel, assesses the Company's liabilities and contingencies in connection with such proceedings. For those matters where it is probable that the Company will incur losses and the amounts of the losses can be reasonably estimated, the Company records an expense and corresponding liability in its consolidated financial statements. To the extent the pending or threatened litigation could result in exposure in excess of that liability, the amount of such excess is not currently estimable. Although not considered probable, the range of reasonably possible losses for such matters in the aggregate, beyond the existing recorded liability, was between \$

0
and \$

25

million at December 31, 2023. Although the Company does not believe that the outcome of pending litigations will be material to the Company's consolidated financial position, it cannot rule out the possibility that such outcomes will be material to the consolidated results of operations for a particular reporting period in the future.

23. Segment information

Reportable segments have been determined based upon the Company's organizational structure and its internal profitability reporting system. In the fourth quarter of 2023 the Company completed modifications to its internal profitability reporting system to conform its internal management reporting with certain organizational changes that resulted in the realignment of its business operations into

three

reportable segments: Commercial Bank, Retail Bank and Institutional Services and Wealth Management. All other business activities that are not included in the three reportable segments results have been included in the "All Other" category. The reportable segments have been determined consistent with the Company's customer types and the manner of delivery of its products and services and is reflective of the financial information reviewed by the Company's Chief Executive Officer in evaluating operating decisions and business performance. Beginning in the fourth quarter of 2023, the realigned reportable segments reflect: (1) combining the previously reported Commercial Banking and Commercial Real Estate segments and certain other related activities previously reported in the "All Other" category into one business segment called Commercial Bank; (2) combining the previously reported Retail Banking, Business Banking and Residential Mortgage Banking segments into one business segment called Retail Bank; (3) combining the Institutional Client Services, Wealth Advisory Services and certain other trust-related activities, each previously reported within the "All Other" category, into one new business segment called Institutional Services and Wealth Management; and (4) allocating residential real estate loans previously reported within the Discretionary Portfolio segment into the business segments of Retail Bank and Institutional Services and Wealth Management, with the remainder of such activities being included in the "All Other" category. Certain changes to allocation methodologies for internal transfers for funding charges and credits associated with earning assets and interest-bearing liabilities and other revenues and expenses were also made in conjunction with these reportable segment revisions. Prior period reportable segment results disclosed herein have been presented in conformity with the new segment reporting structure.

The financial information of the Company's segments was compiled utilizing the accounting policies described in note 1 with certain exceptions. The more significant of these exceptions are described herein. The Company allocates interest income or interest expense using a methodology that

charges users of funds (assets) interest expense and credits providers of funds (liabilities) with income based on the maturity, prepayment and/or repricing characteristics of the assets and liabilities. A provision for credit losses is allocated to segments in an amount based largely on actual net charge-offs incurred by the segment during the period plus or minus an amount necessary to adjust the segment's allowance for credit losses due to changes in loan balances. In contrast, the level of the consolidated provision for credit losses is determined using the methodologies described in notes 1 and 5. The net effects of these allocations are recorded in the "All Other" category. Indirect fixed and variable expenses incurred by certain centralized support areas are allocated to segments based on actual usage (for example, volume measurements) and other criteria. Certain types of administrative expenses and bankwide expense accruals (including amortization of core deposit and other intangible assets associated with acquisitions of financial institutions) are generally not allocated to segments. Income taxes are allocated to segments based on the Company's marginal statutory tax rate adjusted for any tax-exempt income or non-deductible expenses. Equity is allocated to the segments based on regulatory capital requirements and in proportion to an assessment of the inherent risks associated with the business of the segment (including interest, credit and operating risk). The management accounting policies and processes utilized in compiling segment financial information are highly subjective and, unlike financial accounting, are not based on authoritative guidance similar to GAAP. As a result, reported segment results are not necessarily comparable with similar information reported by other financial institutions. Furthermore, changes in management structure or allocation methodologies and procedures may result in changes in reported segment financial data.

Information about the Company's segments is presented in the accompanying table.

(Dollars in millions)	For the Years Ended December 31,								
	2023	Commercial Bank 2022	2021	2023	Retail Bank 2022	2021	Institutional Services and Wealth Management 2023	2022	2021
Net interest income (a)	2,409	2,302	1,558	4,352	3,008	1,929	700	403	156
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Noninterest income	658	588	509	762	703	831	1,005	1,007	766
	3,067	2,890	2,067	5,114	3,711	2,760	1,705	1,410	922
Provision for credit losses	297	66	169	173	101	69	—	1	—
								(	
Amortization of core deposit and other intangible assets	—	—	1	—	—	—	—	—	—
Depreciation and other amortization	39	39	39	249	198	152	8	8	9
Other noninterest expense	1,307	1,085	748	2,208	2,009	1,508	859	859	768
Income (loss) before taxes	1,424	1,700	1,110	2,484	1,403	1,031	838	544	145
Income tax expense (benefit)	385	458	297	646	364	266	218	142	38
Net income (loss)	1,039	1,242	813	1,838	1,039	765	620	402	107
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Average total assets	80,243	69,960	53,578	51,213	49,059	43,736	3,675	3,598	3,260
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital expenditures	2	2	3	104	122	55	6	2	12
	\$	\$	\$	\$	\$	\$	\$	\$	\$
(Dollars in millions)	2023	All Other 2022	2021	2023	Total 2022	2021			
Net interest income (a)	346	109	182	7,115	5,822	3,825			
	\$	\$	\$	\$	\$	\$			
Noninterest income	103	59	61	2,528	2,357	2,167			

	(					
	243	168	243	9,643	8,179	5,992
	)					
			(			(
Provision for credit losses	175	351	313	645	517	75
			)			)
Amortization of core deposit and other intangible assets	62	56	9	62	56	10
Depreciation and other amortization	139	134	114	435	379	314
Other noninterest expense	508	662	264	4,882	4,615	3,288
	(	(				
Income (loss) before taxes	1,127	1,035	169	3,619	2,612	2,455
	)	)				
	(	(	(			
Income tax expense (benefit)	371	344	5	878	620	596
	)	)	)			
	(	(				
Net income (loss)	756	691	174	2,741	1,992	1,859
	\$	\$	\$	\$	\$	\$
	)	)				
Average total assets	70,266	67,635	52,095	205,397	190,252	152,669
	\$	\$	\$	\$	\$	\$
Capital expenditures	144	88	79	256	214	149
	\$	\$	\$	\$	\$	\$

(a) Net interest income is the difference between actual taxable-equivalent interest earned on assets and interest paid on liabilities by a segment and a funding charge (credit) based on the Company's internal funds transfer pricing methodology. Segments are charged a cost to fund any assets (e.g. loans) and are paid a funding credit for any funds provided (e.g. deposits). The taxable-equivalent adjustment aggregated \$

54

million in 2023, \$

39

million in 2022 and \$

15

million in 2021 and is eliminated in "All Other" net interest income and income tax expense (benefit).

The Commercial Bank segment provides a wide range of credit products and banking services to middle-market and large commercial customers, mainly within the markets served by the Company. Services provided by this segment include commercial lending and leasing, credit facilities which are secured by various types of commercial real estate, letters of credit, deposit products and cash management services. Commercial real estate loans may be secured by multifamily residential buildings, hotels, office, retail and industrial space or other types of collateral. Activities of this segment include the origination, sales and servicing of commercial real estate loans through the Fannie Mae DUS program and other programs. Commercial real estate loans held for sale are included in this segment.

The Retail Bank segment provides a wide range of services to consumers and small businesses through the Company's branch network and several other delivery channels such as telephone banking, internet banking and automated teller machines. The Company has branch offices in New York State, Maryland, New Jersey, Pennsylvania, Delaware, Connecticut, Massachusetts, Maine, Vermont, New Hampshire, Virginia, West Virginia and the District of Columbia. The segment offers to its customers deposit products, including demand, savings and time accounts, and other services. Credit services offered by this segment include automobile and recreational finance loans (originated both directly and indirectly through dealers), home equity loans and lines of credit, credit cards and other loan products. This segment also originates and services residential mortgage loans and either sells those loans in the secondary market to investors or retains them for investment purposes. Residential mortgage loans are also originated and serviced on behalf of the Institutional Services and Wealth Management segment. The Company periodically purchases the rights to service

residential real estate loans that have been originated by other entities and also sub-services residential real estate loans for others.
Residential

real estate loans held for sale are included in this segment. This segment also provides various business loans, including loans guaranteed by the SBA, business credit cards, deposit products and services such as cash management, payroll and direct deposit, merchant credit card and letters of credits to small businesses and professionals through the Company's branch network and other delivery channels.

The Institutional Services and Wealth Management segment provides a variety of trustee, agency, investment management and administrative services for corporations and institutions, investment bankers, corporate tax, finance and legal executives, and other institutional clients, as well as personal trust, planning, fiduciary, asset management, family office and other services designed to help high net worth individuals and families grow, preserve and transfer wealth. This segment also provides investment products, including mutual funds and annuities and other services to customers.

The "All Other" category reflects other activities of the Company that are not directly attributable to the reported segments. Reflected in this category are the difference between the provision for credit losses and the calculated provision allocated to the reportable segments; goodwill and core deposit and other intangible assets resulting from the acquisitions of financial institutions; merger-related gains and expenses related to acquisitions; the net impact of the Company's internal funds transfer pricing methodology; eliminations of transactions between reportable segments; certain non-recurring transactions; and the residual effects of unallocated support systems and general and administrative expenses. The Company's investment securities portfolio, brokered deposits and short-term and long-term borrowings are generally included in the "All Other" category. In its management of interest rate risk, the Company utilizes interest rate swap agreements to modify the repricing characteristics of certain portfolios of earning assets and interest-bearing liabilities. The results of such activities are captured in the "All Other" category.

The amount of intersegment activity eliminated in arriving at consolidated totals was included in the "All Other" category as follows:

(Dollars in millions)	Year Ended December 31,		
	2023	2022	2021
Revenues	(	(	(
	17	14	12
	\$)	\$)	\$)
Expenses	(	(	(
	3	2	2
	)	)	)
Income taxes	(	(	(
	4	3	3
	)	)	)
Net income	(	(	(
	10	9	7
	)	)	)

There are no transactions with a single customer that in the aggregate result in revenues that exceed ten percent of consolidated total revenues.

24. Regulatory matters

Payment of dividends by M&T's banking subsidiaries is restricted by various legal and regulatory limitations. Dividends from any banking subsidiary to M&T are limited by the amount of earnings of the banking subsidiary in the current year and the preceding two years. For purposes of this test, at December 31, 2023, approximately \$

1.7

billion was available for payment of dividends to M&T from banking subsidiaries. M&T may pay dividends and repurchase stock only in accordance with a capital plan that the Federal Reserve has not objected to.

Banking regulations prohibit extensions of credit by the subsidiary banks to M&T unless appropriately secured by assets. Securities of affiliates are not eligible as collateral for this purpose.

M&T and its subsidiary banks are required to comply with applicable capital adequacy regulations established by the federal banking agencies. Failure to meet minimum capital requirements can result in certain mandatory, and possibly additional discretionary, actions by regulators that, if undertaken, could have a material effect on the Company's financial statements. Pursuant to the rules in effect as of December 31, 2023, the required minimum and well capitalized capital ratios are as follows:

	Minimum	Well Capitalized
M&T (Consolidated)		
CET1 to RWA	4.5 %	
Tier 1 capital to RWA	6.0	6.0 %
Total capital to RWA	8.0	10.0
Leverage — Tier 1 capital to average total assets, as defined	4.0	
Bank Subsidiaries		
CET1 to RWA	4.5 %	6.5 %
Tier 1 capital to RWA	6.0	8.0
Total capital to RWA	8.0	10.0
Leverage — Tier 1 capital to average total assets, as defined	4.0	5.0

Capital regulations require buffers in addition to the minimum risk-based capital ratios noted above. M&T is subject to a SCB requirement that is determined through the Federal Reserve's supervisory stress tests and M&T's bank subsidiaries are subject to a

% capital conservation buffer requirement. The buffer requirement must be composed entirely of CET1. In June 2023, the Federal Reserve released the results of its most recent supervisory stress tests. Based on those results on October 1, 2023, M&T's SCB of

4.0

% became effective. Accordingly, at December 31, 2023 M&T is subject to a CET1 capital requirement of

8.5

% (a sum of the SCB and the minimum CET1 capital ratio).

The capital ratios and amounts of the Company and its banking subsidiaries as of December 31, 2023 and 2022 are presented below:

(Dollars in millions)	M&T (Consolidated)	M&T Bank	Wilmington Trust, N.A.
December 31, 2023:			
CET1 capital			
Amount			
	\$ 16,908	\$ 17,667	\$ 583
Ratio(a)			
	10.98 %	11.53 %	263.48 %
Tier 1 capital			
Amount			
	\$ 18,918	\$ 17,667	\$ 583
Ratio(a)			
	12.29 %	11.53 %	263.48 %
Total capital			
Amount			
	\$ 21,533	\$ 19,884	\$ 584
Ratio(a)			
	13.99 %	12.97 %	263.85 %
Leverage			
Amount			
	\$ 18,918	\$ 17,667	\$ 583
Ratio(b)			
	9.43 %	8.83 %	86.00 %
December 31, 2022:			
CET1 capital			
Amount			
	\$ 15,562	\$ 16,674	\$ 586
Ratio(a)			
	10.44 %	11.23 %	254.50 %
Tier 1 capital			
Amount			
	\$ 17,573	\$ 16,674	\$ 586
Ratio(a)			
	11.79 %	11.23 %	254.50 %

Total capital				
Amount				
	\$	20,260	\$	18,888
			\$	587
Ratio(a)				
		13.60		12.72
		%		%
				254.90
				%
Leverage				
Amount				
	\$	17,573	\$	16,674
			\$	586
Ratio(b)				
		9.23		8.77
		%		%
				85.73
				%

(a) The ratio of capital to RWA, as defined by regulation.
(b) The ratio of capital to average assets, as defined by regulation.

25. Relationship with BLG and Bayview Financial

M&T holds a

20

% minority interest in BLG, a privately-held commercial mortgage company. That investment had

no

remaining carrying value at December 31, 2023 as a result of cumulative losses recognized and cash distributions received in prior years. Cash distributions now received from BLG are recognized as income by M&T and included in other revenues from operations. That income totaled \$

20

million in 2023, compared with \$

30

million in each of 2022 and 2021.

Bayview Financial, a privately-held specialty finance company, is BLG's majority investor. In addition to their common investment in BLG, the Company and Bayview Financial conduct other business activities with each other. The Company has obtained loan servicing rights for mortgage loans from BLG and Bayview Financial having outstanding principal balances of \$

1.2

billion and \$

1.4

billion at December 31, 2023 and 2022, respectively. Revenues from those servicing rights were \$

6

million, \$

8

million and \$

9

million during 2023, 2022 and 2021, respectively. The Company sub-services residential mortgage loans for Bayview Financial having outstanding principal balances of \$

115.3

billion and \$

96.0

billion at December 31, 2023 and 2022, respectively. Revenues earned for sub-servicing loans for Bayview Financial were \$

125

million, \$

154

million and \$

153
million in 2023,

2022 and 2021, respectively. In addition, the Company held \$

42
million and \$

50
million of mortgage-backed securities in its held-to-maturity portfolio at December 31, 2023 and 2022, respectively, that were securitized by Bayview Financial. At December 31, 2023, the Company held \$

672
million of Bayview Financial's \$

3.2
billion syndicated loan facility. In 2021 the Company purchased \$

965
million of delinquent government guaranteed mortgage loans, including past due accrued interest, from Bayview Financial for \$

1.0
billion. The servicing rights for such loans were retained by Bayview Financial, but the Company continues to sub-service the loans.

26. Parent company financial statements

Condensed Balance Sheet

(Dollars in millions)	December 31,	
	2023	2022
Assets		
Cash in subsidiary bank		
	\$ 176	\$ 130
Due from consolidated bank subsidiaries:		
Money-market savings	3,223	1,690
Current income tax receivable	5	4
Total due from consolidated bank subsidiaries	3,228	1,694
Investments in consolidated subsidiaries:		
Banks	26,290	25,005
Other	391	380
Investments in trust preferred entities (note 20)	22	22
Other assets	100	93

Total assets		
	30,207	27,324
	\$	\$
Liabilities		
Accrued expenses and other liabilities		
	152	172
	\$	\$
Long-term borrowings		
	3,098	1,834
Total liabilities		
	3,250	2,006
Shareholders' equity		
	26,957	25,318
Total liabilities and shareholders' equity		
	30,207	27,324
	\$	\$

Condensed Statement of Income

(Dollars in millions, except per share)	Year Ended December 31,		
	2023	2022	2021
Income			
Dividends from consolidated subsidiaries			
	\$ 2,041	\$ 2,508	\$ 1,025
Income from Bayview Lending Group LLC			
	20	30	30
Other income		(	
	6	7	3
		)	
Total income			
	2,067	2,531	1,058
Expense			
Interest on short-term borrowings			
	—	6	—
Interest on long-term borrowings			
	182	57	24
Other expense			
	40	50	36
Total expense			
	222	113	60
Income before income taxes and equity in undistributed income of subsidiaries			
	1,845	2,418	998
Income tax credits			
	49	22	6
Income before equity in undistributed income of subsidiaries			
	1,894	2,440	1,004
Equity in undistributed income of subsidiaries			
Net income of subsidiaries			
	2,888	2,060	1,880
Less: dividends received	(	(	(
	2,041	2,508	1,025
	)	)	)

Equity in undistributed income of subsidiaries		(	
	847	448	855
		)	
Net income			
	2,741	1,992	1,859
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Net income per common share			
Basic			
	15.85	11.59	13.81
	\$	\$	\$
Diluted			
	15.79	11.53	13.80

Condensed Statement of Cash Flows

(Dollars in millions)	Year Ended December 31,		
	2023	2022	2021
Cash flows from operating activities			
Net income			
	\$ 2,741	\$ 1,992	\$ 1,859
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in undistributed income of subsidiaries	(847)	448	(855)
Provision for deferred income taxes	(5)	7	10
Net change in accrued income and expense	32	8	(23)
Net cash provided by operating activities	1,921	2,455	991
Cash flows from investing activities			
Net investment in consolidated subsidiaries	(1)	54	(199)
Acquisition, net of cash consideration	—	538	—
Other, net	(41)	24	(3)
Net cash provided (used) by investing activities	(42)	616	(202)
Cash flows from financing activities			
Repayment of short-term borrowings assumed in acquisition	—	(500)	—
Proceeds from long-term borrowings	1,998	499	—
Payments on long-term borrowings	(750)	—	—
Purchases of treasury stock	(594)	(1,800)	—

Dividends paid — common	(	(	(
	868	784	580
	)	)	)
Dividends paid — preferred	(	(	(
	100	97	68
	)	)	)
Proceeds from issuance of Series I preferred stock			495
	—	—	
Other, net			(
	14	2	7
	)	)	)
Net cash used by financing activities	(	(	(
	300	2,680	160
	)	)	)
Net increase in cash and cash equivalents			
	1,579	391	629
Cash and cash equivalents at beginning of year			
	1,820	1,429	800
Cash and cash equivalents at end of year			
	\$ 3,399	\$ 1,820	\$ 1,429
	<u> </u>	<u> </u>	<u> </u>
Supplemental disclosure of cash flow information			
Interest received during the year			
	6	1	1
	\$	\$	\$
Interest paid during the year			
	135	49	20
Income taxes received during the year			
	43	28	53

27. Recent accounting developments

The following table provides a description of accounting standards that were adopted by the Company in 2023 as well as standards that are not effective that could have an impact to M&T's consolidated financial statements upon adoption.

Standard	Description	Required date of adoption	Effect on consolidated financial statements
Standards Adopted in 2023			
Fair Value Hedging of Multiple Hedge Layers under Portfolio Layer Method	The amendments allow multiple hedged layers to be designated for a single closed portfolio of financial assets or one or more beneficial interests secured by a portfolio of financial instruments. If multiple hedged layers are designated, the amendments require an analysis to be performed to support the expectation that the aggregate amount of the hedged layers is anticipated to be outstanding for the designated hedge periods. Only closed portfolios may be hedged under the portfolio layer method (that is, no assets can be added to the closed portfolio once established), however designating new hedging relationships and dedesignating existing hedging relationships associated with the closed portfolio any time after the closed portfolio is established is permitted.	January 1, 2023	The Company did not have any designated hedging relationships under the portfolio layer method in 2023 and, therefore, the adoption had no impact on its consolidated financial statements.
Accounting for Troubled Debt Restructurings and Expansion of Vintage Disclosures Applicable to Credit Losses	The amendments (1) eliminate the accounting guidance for troubled debt restructurings and require enhanced disclosure for certain loan refinancings by creditors when a borrower is experiencing financial difficulty and (2) require disclosure of current period gross write-offs by year of origination for financing receivables and net investments in leases within credit loss disclosures.	January 1, 2023	The Company adopted the amended guidance effective January 1, 2023 using a prospective transition method and is no longer required to identify troubled debt restructurings and apply specialized accounting to such loans. The Company has complied with the modified disclosure requirements in notes 4 and 5.
Standards Not Yet Adopted as of December 31, 2023			
Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method	The amendments permit an election to account for tax equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. Under the proportional amortization method, the initial cost of the investment is amortized in proportion to the income tax credits and other income tax benefits received and the net amortization and income tax credits and other income tax benefits are recognized in the income statement as a component of income tax expense (benefit).	January 1, 2024 Early adoption permitted	The Company adopted the amended guidance effective January 1, 2024 using a modified retrospective transition. The guidance did not have a material impact on the Company's consolidated financial statements.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

(a) Evaluation of disclosure controls and procedures. Based upon their evaluation of the effectiveness of M&T's disclosure controls and procedures (as defined in Exchange Act rules 13a-15(e) and 15d-15(e)), René F. Jones, Chairman of the Board and Chief Executive Officer, and Daryl N. Bible, Senior Executive Vice President and Chief Financial Officer, concluded that M&T's disclosure controls and procedures were effective as of December 31, 2023.

(b) Management's annual report on internal control over financial reporting. Included under the heading "Report on Internal Control Over Financial Reporting" at Item 8 of this Annual Report on Form 10-K.

(c) Attestation report of the registered public accounting firm. Included under the heading "Report of Independent Registered Public Accounting Firm" at Item 8 of this Annual Report on Form 10-K.

(d) Changes in internal control over financial reporting. M&T regularly assesses the adequacy of its internal control over financial reporting and enhances its controls in response to internal control assessments and internal and external audit and regulatory recommendations. No changes in internal control over financial reporting have been identified in connection with the evaluation of disclosure controls and procedures during the quarter ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, M&T's internal control over financial reporting.

Item 9B. Other Information.

(a) Effective February 21, 2024, M&T's Board of Directors approved and adopted M&T's Amended and Restated Bylaws.

The Amended and Restated Bylaws were adopted to: (i) clarify that stockholder meetings may take place by means of remote communications, in light of updates to the New York Business Corporation Law; (ii) update M&T's bylaws in connection with the SEC rules relating to universal proxy cards, including requiring stockholders providing notice pursuant to Rule 14a-19(b) under the Exchange Act to certify to M&T that they have complied with certain requirements under such rules no later than seven business days prior to the applicable stockholder meeting; (iii) specify that, in connection with a stockholder nomination, proposed nominees and the proposing stockholders, as applicable, must complete a questionnaire and certain representations and agreements in the form provided by M&T; (iv) require any stockholder directly or indirectly soliciting proxies from other stockholders to use a proxy card color other than white; (v) clarify the power of M&T's Board of Directors and the person presiding at each applicable stockholder meeting to establish rules for the conduct of such meetings, including to determine and address deficient nominations or proposals; and (vi) make certain other clarifications and administrative, technical or conforming revisions.

The foregoing description of the Amended and Restated Bylaws does not purport to be complete and is qualified in its entirety by reference to the full text of the Amended and Restated Bylaws, which is filed as Exhibit 3.2 to this Annual Report and incorporated by reference herein.

(b) Certain of our officers or directors have made elections to participate in, and are participating in, our tax-qualified 401(k) plan and nonqualified deferred compensation plans, or have made, and may from time to time make, elections to reinvest dividends in M&T Bank Corporation common stock, or have shares withheld to cover withholding taxes upon the vesting of equity awards or to pay the exercise price of options, each of which may be designed to satisfy the affirmative defense conditions

of Rule 10b5-1 under the Exchange Act or may constitute non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K).

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required to be furnished pursuant to Items 401, 405, 406 and 407(c)(3), (d)(4) and (d)(5) of Regulation S-K will be included in M&T's Proxy Statement for the 2024 Annual Meeting of Shareholders, which will be filed with the SEC pursuant to Regulation 14A not later than 120 days after the end of 2023 (the "2024 Proxy Statement"). The information concerning M&T's directors will appear in the section "NOMINEES FOR DIRECTOR" in the 2024 Proxy Statement. The information concerning M&T's Code of Ethics for Chief Executive Officer and Senior Financial Officers will appear in the section "CORPORATE GOVERNANCE OF M&T BANK CORPORATION" in the 2024 Proxy Statement. The information regarding the procedures by which shareholders can recommend director nominees as well as M&T's Audit Committee, including "audit committee financial experts," will also appear in the section "CORPORATE GOVERNANCE OF M&T BANK CORPORATION." The information concerning compliance with Section 16(a) of the Exchange Act will appear, if necessary, in the section "STOCK OWNERSHIP INFORMATION." Such information is incorporated herein by reference.

The information concerning M&T's executive officers is provided in "Executive Officers of the Registrant" in Part I of this Form 10-K.

Item 11. Executive Compensation.

The information required to be furnished pursuant to Items 402 and 407(e)(4) and (e)(5) of Regulation S-K will appear in the sections "COMPENSATION DISCUSSION AND ANALYSIS," "EXECUTIVE COMPENSATION," "DIRECTOR COMPENSATION," "COMPENSATION AND HUMAN CAPITAL COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION," and "COMPENSATION AND HUMAN CAPITAL COMMITTEE REPORT" in the 2024 Proxy Statement. Such information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required to be furnished pursuant to Item 403 of Regulation S-K will appear in the section "STOCK OWNERSHIP INFORMATION" in the 2024 Proxy Statement. Such information is incorporated herein by reference.

The information required to be furnished pursuant to Item 201(d) concerning equity compensation plans is provided in "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities" in Part II, Item 5 of this Form 10-K.

Item 13. *Certain Relationships and Related Transactions, and Director Independence.*

The information required to be furnished pursuant to Items 404 and 407(a) of Regulation S-K will appear in the sections “TRANSACTIONS WITH DIRECTORS, EXECUTIVE OFFICERS AND CERTAIN SHAREHOLDERS” and “CORPORATE GOVERNANCE OF M&T BANK CORPORATION” in the 2024 Proxy Statement. Such information is incorporated herein by reference.

Item 14. *Principal Accountant Fees and Services.*

The information required to be furnished by Item 9(e) of Schedule 14A will appear in the section “PROPOSAL TO RATIFY THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM OF M&T BANK CORPORATION FOR THE YEAR ENDING DECEMBER 31, 2024” in the 2024 Proxy Statement. Such information is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) Financial statements and financial statement schedules filed as part of this Annual Report on Form 10-K. See Part II, Item 8, "Financial Statements and Supplementary Data." Financial statement schedules are not required or are inapplicable, and therefore have been omitted.

(b) Exhibits required by Item 601 of Regulation S-K. The exhibits listed have been previously filed, are filed herewith or are incorporated herein by reference to other filings.

- 3.1 [Restated Certificate of Incorporation of M&T Bank Corporation, effective November 16, 2022. Incorporated by reference to Exhibit 3.1 to the Form 8-K dated November 18, 2022 \(File No. 1-9861\).](#)
- 3.2 [Amended and Restated Bylaws of M&T Bank Corporation, effective February 21, 2024. Filed herewith.](#)
- 4.1 There are no instruments with respect to long-term debt of M&T Bank Corporation and its subsidiaries that involve securities authorized under the instrument in an amount exceeding 10 percent of the total assets of M&T Bank Corporation and its subsidiaries on a consolidated basis. M&T Bank Corporation agrees to provide the SEC with a copy of instruments defining the rights of holders of long-term debt of M&T Bank Corporation and its subsidiaries on request.
- 4.2 [Description of Registrant's Securities. Filed herewith.](#)
- 10.1 [M&T Bank Corporation Annual Executive Incentive Plan. Incorporated by reference to Exhibit No. 10.3 to the Form 10-Q for the quarter ended June 30, 1998 \(File No. 1-9861\).*](#)
- 10.2 [M&T Bank Corporation Supplemental Pension Plan, as amended and restated. Incorporated by reference to Exhibit 10.1 to the Form 10-Q for the quarter ended March 31, 2016 \(File No. 1-9861\).*](#)
- 10.3 [Amendment No. 1 to M&T Bank Corporation Supplemental Pension Plan. Incorporated by reference to Exhibit 10.4 of M&T Bank Corporation's Form 10-K for the year ended December 31, 2018 \(File No. 1-9861\).*](#)
- 10.4 [Amendment No. 2 to M&T Bank Corporation Supplemental Pension Plan. Incorporated by reference to Exhibit 10.5 of M&T Bank Corporation's Form 10-K for the year ended December 31, 2018 \(File No. 1-9861\).*](#)
- 10.5 [M&T Bank Corporation Supplemental Retirement Savings Plan. Incorporated by reference to Exhibit 10.2 to the Form 10-Q for the quarter ended March 31, 2016 \(File No. 1-9861\).*](#)
- 10.6 [Amendment No. 1 to M&T Bank Corporation Supplemental Retirement Savings Plan. Incorporated by reference to Exhibit 10.7 of M&T Bank Corporation's Form 10-K for the year ended December 31, 2018 \(File No. 1-9861\).*](#)
- 10.7 [Amendment No. 2 to M&T Bank Corporation Supplemental Retirement Savings Plan. Incorporated by reference to Exhibit 10.8 of M&T Bank Corporation's Form 10-K for the year ended December 31, 2018 \(File No. 1-9861\).*](#)
- 10.8 [M&T Bank Corporation Deferred Bonus Plan, as amended and restated. Incorporated by reference to Exhibit 10.6 to the Form 10-K for the year ended December 31, 2016 \(File No. 1-9861\).*](#)
- 10.9 [M&T Bank Corporation 2019 Equity Incentive Compensation Plan. Incorporated by reference to Appendix A to the Proxy Statement of M&T Bank Corporation dated March 7, 2019 \(File No. 1-9861\).*](#)

- 10.10 [M&T Bank Corporation Form of Performance Share Unit Award Agreement. Incorporated by reference to Exhibit 10.1 to M&T Bank Corporation's Form 10-Q for the quarter ended March 31, 2020 \(File No. 1-9861\).*](#)
- 10.11 [Amendment No. 3 to M&T Bank Corporation Supplemental Pension Plan. Incorporated by reference to Exhibit 10.2 to M&T Bank Corporation's Form 10-Q for the quarter ended March 31, 2020 \(File No. 1-9861\).*](#)
- 10.12 [M&T Bank Corporation Leadership Retirement Savings Plan \(f/k/a Supplemental Savings Retirement Plan\), amended and restated effective as of January 1, 2020. Incorporated by reference to Exhibit 10.3 to M&T Bank Corporation's Form 10-Q for the quarter ended March 31, 2020 \(File No. 1-9861\).*](#)
- 10.13 [M&T Bank Corporation Form of Performance-Hurdled Restricted Stock Unit Award Agreement. Incorporated by reference to Exhibit 10.24 to M&T Bank Corporation's Form 10-K for the year ended December 31, 2020 \(File No. 1-9861\).*](#)
- 10.14 [M&T Bank Corporation Form of Stock Option Agreement. Incorporated by reference to Exhibit 10.25 to M&T Bank Corporation's Form 10-K for the year ended December 31, 2020 \(File No. 1-9861\).*](#)
- 10.15 [M&T Bank Corporation Form of Directors' Restricted Stock Unit Award Agreement \(one-year vesting\). Incorporated by reference to Exhibit 10.17 to M&T Bank Corporation's Form 10-K for the year ended December 31, 2022 \(File No. 1-9861\).*](#)
- 10.16 [M&T Bank Corporation Voluntary Deferred Compensation Plan for Directors. Incorporated by reference to Exhibit 10.28 to M&T Bank Corporation's Form 10-K for the year ended December 31, 2021. \(File No. 1-9861\).*](#)
- 10.17 [M&T Bank Corporation Employee Severance Pay Plan, restated June 1, 2021 \(with amended Appendix A effective March 28, 2022\). Filed herewith.*](#)
- 10.18 [Non-Competition and Non-Solicitation Agreement, dated as of February 21, 2021, by and between John P. Barnes and People's United Financial, Inc. Incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K of M&T Bank Corporation filed on April 4, 2022. \(File No. 1-9861\).*](#)
- 10.19 [Non-Competition and Non-Solicitation Agreement, dated as of February 21, 2021, by and between Kirk W. Walters and People's United Financial, Inc. Incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K of M&T Bank Corporation filed on April 4, 2022. \(File No. 1-9861\).*](#)
- 10.20 [M&T Bank Corporation Form of Performance Share Unit Award Agreement. Incorporated by reference to Exhibit 10.21 to M&T Bank Corporation's Form 10-K for the year ended December 31, 2022 \(File No. 1-9861\).*](#)
- 10.21 [M&T Bank Corporation 2019 Equity Incentive Compensation Plan, as amended and restated effective as of April 18, 2023. Incorporated by reference to Appendix B of the Proxy Statement of M&T Bank Corporation dated March 7, 2023 \(File No. 1-9861\).*](#)
- 10.22 [First Amendment, effective November 30, 2023, to the M&T Bank Corporation Leadership Retirement Savings Plan, as amended and restated effective as of January 1, 2020. Filed herewith.*](#)
- 10.23 [M&T Bank Corporation Form of Performance Share Unit Award Agreement. Filed herewith.*](#)
- 11.1 [Statement re: Computation of Earnings Per Common Share. Incorporated by reference to note 15 of Notes to Financial Statements filed herewith in Part II, Item 8, "Financial Statements and Supplementary Data."](#)
- 21.1 [Subsidiaries of the Registrant. Incorporated by reference to the caption "Subsidiaries" contained in Part I, Item 1 hereof.](#)

- 23.1 [Consent of PricewaterhouseCoopers LLP re: Registration Statements on Form S-3 \(No. 333-274646\) and Form S-8 \(Nos.33-32044, 333-43175, 333-16077, 333-40640, 333-84384, 333-127406, 333-150122, 333-164015, 333-163992, 333-160769, 333-159795, 333-170740, 333-189099, 333-184504, 333-189097, 333-184411, 333-231217, 333-254786, 333-264099, 333-254962, 333-264392 and 333-271322\). Filed herewith.](#)
- 31.1 [Certification of Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith.](#)
- 31.2 [Certification of Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith.](#)
- 32.1 [Certification of Chief Executive Officer under 18 U.S.C. §1350 pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Filed herewith.](#)
- 32.2 [Certification of Chief Financial Officer under 18 U.S.C. §1350 pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Filed herewith.](#)
- 97.1 [M&T Bank Corporation Executive Compensation Recoupment Policy. Filed herewith.](#)
- 101.INS Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
- 101.SCH Inline XBRL Taxonomy Extension Schema with embedded Linkbase documents.
- 104 The cover page from M&T Bank Corporation's Annual Report on Form 10-K for the year ended December 31, 2023 has been formatted in Inline XBRL.

* *Management contract or compensatory plan or arrangement.*

(c) Additional financial statement schedules. None.

Item 16. Form 10-K Summary.

None.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 21st day of February, 2024.

M&T BANK CORPORATION

By: */s/ René F. Jones*
René F. Jones
Chairman of the Board and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
Principal Executive Officer:		
<i>/s/ René F. Jones</i> René F. Jones	Chairman of the Board and Chief Executive Officer	February 21, 2024
Principal Financial Officer:		
<i>/s/ Daryl N. Bible</i> Daryl N. Bible	Senior Executive Vice President and Chief Financial Officer	February 21, 2024
Principal Accounting Officer:		
<i>/s/ John R. Taylor</i> John R. Taylor	Executive Vice President and Controller	February 21, 2024
A majority of the board of directors:		
<i>/s/ John P. Barnes</i> John P. Barnes		February 21, 2024
Robert T. Brady		February 21, 2024
<i>/s/ Carlton J. Charles</i> Carlton J. Charles		February 21, 2024
Jane Chwick		February 21, 2024

/s/ William F. Cruger, Jr.
William F. Cruger, Jr.

February 21, 2024

/s/ T. Jefferson Cunningham III
T. Jefferson Cunningham III

February 21, 2024

/s/ Gary N. Geisel

February 21, 2024

Gary N. Geisel

/s/ Leslie V. Godridge
Leslie V. Godridge

February 21, 2024

/s/ Richard H. Ledgett, Jr.
Richard H. Ledgett, Jr.

February 21, 2024

/s/ Melinda R. Rich
Melinda R. Rich

February 21, 2024

/s/ Robert E. Sadler, Jr.
Robert E. Sadler, Jr.

February 21, 2024

/s/ Denis J. Salamone
Denis J. Salamone

February 21, 2024

/s/ John R. Scannell
John R. Scannell

February 21, 2024

/s/ Rudina Seseri
Rudina Seseri

February 21, 2024

/s/ Kirk W. Walters
Kirk W. Walters

February 21, 2024

/s/ Herbert L. Washington
Herbert L. Washington

February 21, 2024

M&T BANK CORPORATION
AMENDED AND RESTATED BYLAWS
(effective as of February 21, 2024)

**AMENDED AND RESTATED BYLAWS
OF
M&T BANK CORPORATION**

**ARTICLE I
Meetings of Stockholders**

Section 1Annual Meeting: The annual meeting of the stockholders of the Corporation, for the election of directors and for the transaction of such other business as may be set forth in the notice of the meeting, shall be held each year at the principal office of the Corporation or at such other place within or without the State of New York, if any, or by such means of remote communications, as the Board of Directors shall determine and the notice of the meeting shall specify the hour of day on the third Tuesday in April in each year or at such other date within the period of sixty (60) days next succeeding such date as the Board of Directors shall determine. If that day be a legal holiday in any year, the meeting shall be held on the next following that is not a legal holiday.

Section 2Special Meetings: Special meetings of the stockholders may be called by the Board of Directors or by the Chief Executive Officer, and shall be called by the Corporate Secretary or an Assistant Secretary at the request in writing of the holders of record of at least 25% of the outstanding shares of the Corporation entitled to vote. Such request shall state the purpose or purposes for which the meeting is to be called. Each special meeting of the stockholders shall be held at such time as the Board of Directors or the person calling the meeting (the Chief Executive Officer, Corporate Secretary or Assistant Secretary, as the case may be) shall determine and the notice of the meeting shall specify, and shall be held at the principal office of the Corporation or at such other place within or without the State of New York, if any, or by such means of remote communications, as the Board of Directors shall determine or the notice of meeting shall specify.

Section 3Notice of Meetings: Written notice of each meeting of the stockholders shall be given, personally, by mail, or electronically, not less than ten (10) nor more than sixty (60) days before the date of the meeting, to each stockholder entitled to vote at such meeting; provided, however, that such notice may be given by third class mail not fewer than twenty-four (24) nor more than sixty (60) days before the date of the meeting. If mailed, such notice shall be deposited in the United States mail, with postage thereon prepaid, directed to the stockholder at his or her address as it appears on the record of stockholders, or, if he or she shall have filed with the Corporate Secretary of the Corporation a written request that notices to him or her be mailed to some other address, then directed to him or her at such other address. If transmitted electronically, such notice shall be directed to the stockholder's electronic mail address as supplied by the stockholder to the Corporate Secretary of the Corporation or his or her representative, or as otherwise directed pursuant to the stockholder's authorization or instructions. The notice shall state the place, date and hour of the meeting, the purpose or purposes for which the meeting is called and, unless it is the annual meeting, indicate that the notice is being issued by or at the direction of the person calling the meeting. The notice need not refer to the approval of minutes or to other matters normally incident to the conduct of the meeting. Except for such matters, the business which may be transacted at the meeting shall be confined to business which is related to the purpose or purposes set forth in the notice. If, at any

meeting, action is proposed to be taken which would, if taken, entitle dissenting stockholders to receive payment for their shares, the notice of such meeting shall include a statement of that purpose and to that effect.

Section 4Waiver of Notice: Whenever under any provision of these Bylaws, the certificate of incorporation, the terms of any agreement or instrument, or law, the Corporation or the Board of Directors or any committee thereof is authorized to take any action after notice to any person or persons or after the lapse of a prescribed period of time, such action may be taken without notice and without the lapse of such period of time, if at any time before or after such action is completed the person or persons entitled to such notice or entitled to participate in the action to be taken or, in the case of a stockholder, by his or her duly authorized attorney-in-fact, submit a signed waiver of notice of such requirements. The attendance of any stockholder at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him or her.

Section 5Procedure:

(a)The Board of Directors may adopt by resolution such rules and regulations for the conduct of each meeting of stockholders as it shall deem appropriate. If the Board of Directors determines that any requirement in these Bylaws or the certificate of incorporation or any other applicable legal requirement has not been satisfied (including compliance with any questionnaire, representation or agreement required under these Bylaws) as to any nomination or other business proposed to be brought before a meeting of stockholders (including any nomination or other business proposed by Requesting Stockholders at a special meeting requested by such Requesting Stockholders), then the Board of Directors may elect to (i) waive such deficiency with respect to such proposed nomination or other business, (ii) notify the stockholder of, and provide the stockholder with an opportunity to cure, such deficiency, or (iii) decline to allow the proposed nomination or other business to be transacted at the meeting, even if the Corporation has received proxies or votes in respect of those matters (which proxies and votes shall also be disregarded).

(b)At each meeting of stockholders the order of business and all other matters of procedure may be determined by the person presiding at the meeting. Except to the extent inconsistent with any rules and regulations adopted by the Board of Directors with respect to the applicable meeting, the presiding person of the meeting shall have the power and authority to prescribe such rules, regulations and procedures and to do all such acts and things as, in the judgement of such person, are necessary or desirable for the proper conduct of the meeting, including, without limitation, (i) establishing procedures for the maintenance of order and safety, (ii) establishing limitations on the time allotted for questions or comments, (iii) establishing restrictions on entry to such meeting after the time prescribed for the commencement thereof, (iv) establishing limitations on attendance and participation at the meeting to stockholders of record, their duly authorized proxies and such other individuals as the presiding person of the meeting may determine, (v) establishing the opening and closing of the voting polls, for each item on which a vote is to be taken, (vi) determining and declaring that a matter, business or nomination was not properly brought before the meeting, (vii) removing any stockholder or any other individual who refuses to comply with applicable rules, regulations and procedures (including those set by the Board or the presiding person of the meeting), (viii) concluding the

meeting or adjourning or recessing the meeting, whether or not a quorum is present, to a later date or time and to the same or some other place or by means of remote communication and (ix) restricting the use of audio/video recording devices and cell phones at the meeting.

(c) Except as otherwise required by applicable law, the certificate of incorporation or these Bylaws, each of the Board of Directors, the Chairman of the Board and the person presiding at the applicable meeting of stockholders shall have the power to (i) determine whether any proposed nomination or other business to be brought before the meeting was properly brought in accordance with the requirements set forth in these Bylaws (including in compliance with any questionnaire, representation or agreement required under these Bylaws), the certificate of incorporation, and in compliance with any other applicable legal requirement, including Rule 14a-19 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and (ii) if any proposed nomination or other business was not properly brought, to declare that such proposed nomination or other business is defective. If the Board of Directors, the Chairman of the Board or the person presiding at the applicable meeting of stockholders should so determine and declare, the defective nomination or other business shall be disregarded, even if the Corporation has received proxies or votes in respect of those matters (which proxies and votes shall also be disregarded).

(d) Notwithstanding anything herein to the contrary, unless otherwise required by applicable law, if a stockholder who has given notice of a nomination or other business for consideration at an annual or special meeting fails to appear or send a Qualified Representative to present such business at such meeting, the Corporation need not present such business for a vote at such meeting, even if the Corporation has received proxies or votes in respect of those matters (which proxies and votes shall also be disregarded). A "Qualified Representative" of a stockholder means a person who is duly authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to the Secretary to act for such stockholder as proxy at a specified meeting of stockholders and who has produced such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

Section 6 List of Stockholders: A list of stockholders as of the record date, certified by the corporate officer responsible for its preparation or by a transfer agent, shall be produced at any meeting of stockholders upon the request thereat or prior thereto of any stockholder. If the right to vote at any meeting is challenged, the inspectors of election, or person presiding thereat, shall require such list of stockholders to be produced as evidence of the right of the persons challenged to vote at such meeting, and all persons who appear from such list to be stockholders entitled to vote thereat may vote at such meeting.

Section 7 Quorum: At each meeting of stockholders for the transaction of any business, a quorum shall be present to organize such meeting. Except as otherwise provided by law, a quorum shall consist of the holders of record of not less than a majority of the outstanding shares of the Corporation entitled to vote at such meeting, present either in person or by proxy. When a quorum is once present to organize a meeting of the stockholders, it is not broken by the subsequent withdrawal of any stockholders.

Section 8Adjournments: The Board of Directors, the Chairman of the Board, the person presiding at the applicable meeting or holders of a majority of votes by the stockholders entitled to vote who are present in person or by proxy at any meeting of stockholders, for any reason, whether or not a quorum shall be present at the meeting, shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting of the time and place, if any, or the means of remote communications, if any, to which the meeting is adjourned. At any adjourned meeting at which a quorum shall be present any business may be transacted that might have been transacted on the original date of the meeting and the stockholders entitled to vote at the meeting on the original date (whether or not they were present thereat), and no others, shall be entitled to vote at such adjourned meeting.

Section 9Voting; Proxies; Majority Vote Standard for Uncontested Director Elections:

(a)Each stockholder of record shall be entitled at every meeting of stockholders to one (1) vote for each share having voting power standing in his or her name on the record of stockholders of the Corporation on the record date fixed pursuant to Section 3 of Article VI of these Bylaws.

(b)Each stockholder entitled to vote at a meeting of stockholders may vote in person, or may authorize another person or persons to act for him or her by proxy. Any proxy may be signed by such stockholder or his or her duly authorized attorney-in-fact, including by facsimile signature, and shall be delivered to the secretary of the meeting, or may be authorized by telegram, cablegram or other electronic transmission provided that it can be reasonably determined from such telegram, cablegram or other electronic transmission that such proxy was authorized by the stockholder. The signature of a stockholder on any proxy, including without limitation a telegram, cablegram or other electronic transmission, may be printed, stamped or written, or provided by other reliable reproduction, provided such signature is executed or adopted by the stockholder with intention to authenticate the proxy. No proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the stockholder executing it, except as otherwise provided by law.

(c)All corporate action to be taken by vote of the stockholders other than the election of directors shall, except as otherwise provided by law, the certificate of incorporation or these Bylaws, be authorized by a majority of the votes cast in favor or against such action. At each meeting of the stockholders for the election of directors at which a quorum is present, the vote required for election of a director by the stockholders shall, except in a contested election, be the affirmative vote of a majority of the votes cast in favor of or against the election of a nominee. In a contested election, the persons receiving a plurality of the votes cast by the holders of stock entitled to vote thereat shall be the directors. An election shall be deemed to be contested if, as of the record date for such meeting, there are more nominees for election than positions on the Board of Directors to be filled by election at the meeting. The vote for directors, or upon any question before a meeting of stockholders, shall not be by ballot unless the person presiding at such meeting shall so direct or any stockholder, present in person or by proxy and entitled to vote thereon, shall so demand.

(d) In the event of an uncontested election of directors, any incumbent director who is a nominee for election as a director and who is not elected by the stockholders shall immediately tender his or her resignation to the Board of Directors, subject to acceptance or rejection by the Board of Directors as provided in this Section 9(d) of this Article I. The independent members of the Board of Directors, in accordance with the procedures established by the Board of Directors, shall decide whether or not to accept such resignation within ninety (90) days after the date the results of the election are certified and the Corporation shall promptly disclose and explain such decision in a document furnished or filed with the United States Securities and Exchange Commission ("SEC"). The independent members of the Board of Directors in making their decision, may consider any factors or other information that they consider appropriate and relevant, including the recommendation of the Nomination and Governance Committee of the Board of Directors. The director who tenders his or her resignation shall not participate in the recommendation of the Nomination and Governance Committee or the decision of the Board of Directors with respect to his or her resignation. If such director's resignation is rejected by the Board of Directors, such director shall continue to serve until the next annual meeting and until his or her successor is duly elected, or his or her earlier resignation or removal. If a director's resignation is accepted by the Board of Directors pursuant to Section 9(d) of this Article I, then the Board of Directors, in its sole discretion, may fill any resulting vacancy pursuant to the provisions of Article II, Section 5 or may decrease the size of the Board of Directors pursuant to the provisions of Article II, Section 1.

(e) Any stockholder directly or indirectly soliciting proxies from other stockholders in respect of any nomination or other business must use a proxy card color other than white, which is reserved for the exclusive use by the Board of Directors.

Section 10 Appointment of Inspectors of Election: The Board of Directors shall appoint one or more inspectors to act at the meeting or any adjournment thereof, and may appoint one (1) or more persons as alternate inspectors to replace any inspector who fails to appear or act. If no inspector or alternate has been appointed, or in case any inspector or alternate inspector appointed fails to appear or act, the vacancy shall be filled by appointment made by the person presiding thereat. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his or her ability. No person who is a nominee for the office of director of the Corporation shall act as an inspector at any meeting of the stockholders at which directors are elected.

Section 11 Duties of Inspectors of Election: Whenever one or more inspectors of election may be appointed as provided in these Bylaws, he, she or they shall determine the number of shares outstanding and entitled to vote, the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots, or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all stockholders.

Section 12 Advance Notice of Proposals: At an annual or special meeting of the stockholders, only such nominations shall be considered and such other business shall be conducted as shall have been properly brought before the meeting.

(a)Matters Properly Brought. To be properly brought before a meeting, business must be: (i) specified in the notice of the meeting, (ii) brought by or at the direction of the Board of Directors, (iii) brought by a stockholder of the Corporation who was a stockholder of record at the time the notice provided for in this Section 12 is delivered to the Corporate Secretary, who is entitled to vote at the meeting and who complied with the notice and other requirements set forth in this Section 12, or (iv) in the case of stockholder nominations to be included in the Corporation's proxy statement for an annual meeting, brought by any Eligible Stockholder (as defined in Section 13 of this Article I) who satisfies the requirements set forth in Section 13 of this Article I.

(b)Advance Notice Requirements. For business to be properly brought before a meeting of stockholders pursuant to clause (iii) of Section 12(a) above, the stockholder must have given timely notice of such business in proper written form to the Corporate Secretary and otherwise comply with the requirements under these Bylaws (including this Section 12) and such business must be a proper matter for stockholder action.

(i)To be timely, a stockholder's notice shall:

(A)(1) with respect to the annual meeting of stockholders, be delivered to the Corporate Secretary at the principal executive offices of the Corporation no earlier than one hundred fifty (150) calendar days and no later than one hundred twenty (120) days before the anniversary of the date that the Corporation mailed its proxy statement for the prior year's annual meeting of stockholders if the date of the annual meeting is not changed more than thirty (30) days from the date of the preceding year's annual meeting; and (2) with respect to any special meeting of stockholders, be delivered not later than the close of business on the tenth (10th) day following the date such special meeting is first publicly announced or disclosed. In no event shall the announcement of an adjournment of an annual meeting or special meeting of stockholders commence a new time period for the giving of a stockholder's notice as described above; and

(B)be further updated and supplemented, if necessary, so that the information provided or required to be provided in such notice (including the questionnaire, representation and agreement required under these Bylaws) shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof. The update and supplement shall be delivered to the Corporate Secretary at the principal executive offices of the Corporation not later than the following dates: (1) five (5) business days after the record date for the meeting in the case of the update and supplement required to be made as of the record date, and (2) eight (8) business days prior to the date for the meeting or any adjournment or postponement thereof in the case of the update and supplement to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof.

(ii) To be in proper form, such stockholder's notice must include the following, as applicable:

(A) As to the stockholder giving the notice, the notice shall set forth:

(1) the name and business address of (a) the stockholder, (b) any beneficial owner of stock on whose behalf the stockholder is giving the notice, (c) any principal of, or any person that owns or controls, directly or indirectly, 10% or more of any voting class of securities or interests (or 33 1/3% or more of any class of securities or interests) in such stockholder or any such beneficial owner and (d) all Persons (as such term is defined in Section 3(a)(9) of the Exchange Act) acting in concert with the stockholder or the beneficial owner, if any (the persons described in clauses (b) through (d) are hereinafter collectively referred to as "Interested Persons");

(2) the name and address of the stockholder and each Interested Person, as they appear on the Corporation's books (if they so appear);

(3) the class and number of shares of the Corporation that are, directly or indirectly, owned beneficially or of record by the stockholder and each Interested Person;

(4) a complete and accurate description of any instrument, agreement, arrangement, or understanding (including any derivative, long or short position, profit interest, forward, future, swap, option, warrant, convertible security, stock appreciation right or similar right, hedging transaction, repurchase agreement or arrangement, borrowed or loaned shares) with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of capital stock of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of capital stock of the Corporation, the effect or intent of which is to mitigate loss, manage risk, or benefit from changes in the price of any class or series of shares of capital stock of the Corporation, to transfer to or from any person, in whole or in part, any of the economic consequences of ownership of any class or series of shares of capital stock of the Corporation, to maintain, increase, or decrease the voting power of any person with respect to any class or series of shares of capital stock of the Corporation, or to provide any person, directly or indirectly, with the opportunity to profit or share in any profit derived from, or to otherwise benefit economically from, any increase or decrease in the value of any class or series of shares of capital stock of the Corporation (collectively, "Derivative Instruments") owned, held or entered into by such stockholder or any Interested Person;

(5) a complete and accurate description of any agreement, arrangement or understanding that has been made, the effect or intent of which is to increase or decrease the voting power of such stockholder or any Interested Person with respect to shares of the Corporation, without regard to whether such transaction is required to be reported on a Schedule 13D in accordance with the Exchange Act;

(6) a complete and accurate description of any rights to dividends or other distributions on the shares of any class of capital stock of the Corporation, directly or indirectly, owned beneficially by such stockholder or any Interested Persons that are separated or separable from the underlying shares of the Corporation;

(7) a complete and accurate description of any performance-related fees (other than an asset-based fee) that such stockholder or any Interested Person, directly or indirectly, is entitled to based on any increase or decrease in the value of shares of any class of capital stock of the Corporation or Derivative Instrument;

(8) a complete and accurate description of any agreement, arrangement or understanding pursuant to which such stockholder or any Interested Person has received any financial assistance, funding or other consideration from any other person with respect to the investment by such person in the Corporation;

(9) a complete and accurate description of any agreement, arrangement or understanding (x) among such stockholder, any Interested Person, and any proposed nominee, or (y) between such stockholder or any Interested Person, on the one hand, and any of their respective affiliates or associates or any other person or persons, on the other hand, in each case, in connection with the proposal of such business or nomination;

(10) to the extent not prohibited under applicable law or regulations or other applicable bona fide confidentiality obligation, the names and addresses of any other stockholders or beneficial owners known to be supporting such proposed business or nomination by the stockholder or the beneficial owner on whose behalf the stockholder is acting;

(11) to the extent not prohibited under applicable law or regulations or other applicable bona fide confidentiality obligation, with respect to the stockholder and each Interested Person, a list of (x) litigation filed against such person during the prior ten (10) years, (y) criminal proceeding (excluding traffic violations and other minor offenses) naming such person as a subject during the prior ten (10) years and (z) investigations of such person by a governmental entity, including law enforcement agencies, commenced within the prior ten (10) years;

(12) a representation from such stockholder as to whether such stockholder or any beneficial owner on whose behalf such stockholder is acting intends or is part of a group (providing the name and address of each participant) which intends (1) to deliver a proxy statement to and/or form of proxy with holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or to elect each proposed nominee, (2) otherwise to solicit proxies in support of such proposed business or nomination, and/or (3) to solicit the holders of the Corporation's shares in accordance with Rule 14a-19 under the Exchange Act;

(13) a representation from such stockholder that such stockholder (1) is, and will at the time of such meeting, be a holder of record of shares of the Corporation entitled to vote at such meeting, (2) intends to vote such shares at such meeting, and (3) intends to appear in person at, or send a Qualified Representative (as such term is defined in

Section 5(d) of this Article I) to appear at, such meeting to present such proposed business or nomination, as applicable, before such meeting;

(B) any other information relating to such stockholder and Interested Person, if any, each proposed nominee and each matter of business to be proposed that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

(C) If the notice relates to any business other than a nomination of a director or directors that the stockholder proposes to bring before the meeting, the notice must, in addition to matters set forth in Section 12(b)(ii)(A) above, also set forth: (1) a brief description of the business desired to be brought before the meeting; (2) the reasons for conducting such business at the meeting (including the text of any reasons for the proposed business that will be disclosed in any proxy statement or supplement thereto to be filed with the SEC); (3) any material interest of the stockholder or any Interested Person, individually or in the aggregate, in such business; (4) the text of the proposal or business (including the text of any resolutions proposed for consideration); and (5) such other information as the Board of Directors reasonably determines is necessary or appropriate to enable the Board of Directors and stockholders of the Corporation to consider the proposal.

(D) As to each person whom the stockholder proposes to nominate for election or reelection to the Board of Directors, a stockholder's notice must, in addition to the matters set forth in Section 12(b)(ii)(A) above, also set forth:

(1) the name, age, business address and residence address of such proposed nominee;

(2) the principal occupation or employment of such proposed nominee;

(3) the class and number of shares of common stock and any other securities of the Corporation and any Derivative Instruments which are, directly or indirectly, owned beneficially or of record by the proposed nominee;

(4) all information relating to such nominee that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (including the nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected);

(5) a description of all direct and indirect compensation and other monetary agreements, arrangements and understandings during the past three (3) years, and any other relationships, between or among such stockholder, each Interested Person and any other person or persons (including their names), on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the

other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 (or any successor rule) promulgated under SEC Regulation S-K if the stockholder making the nomination and any beneficial owner, if any, on whose behalf the nomination is made, or any affiliate or associate thereof or Person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant;

(6) whether such proposed nominee is eligible for consideration as an independent director under the relevant standards contemplated by Item 407(a) of Regulation S-K adopted by the SEC (or the corresponding provisions of any successor regulation) and the relevant listing standards of any exchange where the Corporation's equity securities are listed;

(7) a statement detailing whether such proposed nominee is experienced in matters of risk management for the purposes of Regulation YY of the Board of Governors of the Federal Reserve System; and

(8) details of any position of such proposed nominee as an officer or director of any competitor (that is, any entity that provides products or services that compete with or are alternatives to the products or services provided by the Corporation or its affiliates) of the Corporation, within the prior three (3) years.

(9) a completed director's and officer's questionnaire in the form provided by the Corporation (which form the stockholder giving notice shall request in writing from the Secretary and which the Secretary shall provide to the stockholder within ten (10) days of receiving such request) and signed by each proposed nominee.

(E) In connection with any proposed nomination, with respect to the stockholder giving notice, each person whom the stockholder proposes to nominate for election or reelection to the Board of Directors and any other person by whom or on whose behalf the nomination is being made, a stockholder's notice must, in addition to the matters set forth in this Section 12(b)(ii), also include a completed questionnaire and representation and agreement, in each case, in the form provided by the Corporation (which form the stockholder giving notice shall request in writing from the Secretary and which the Secretary shall provide to the stockholder within ten (10) days of receiving such request), and signed by, as applicable, the stockholder giving notice, each proposed nominee (if any) and any other person by whom or on whose behalf the nomination is being made that. The representation and agreement shall require, with respect to each proposed nominee (if any) and any other person by whom or on whose behalf the nomination is being made, that:

(1) each of the applicable persons (including the proposed nominee and the stockholder giving notice) will update and supplement the information as required to be contained in a stockholder's notice in accordance with Section 12(b)(i)(B) of this Article I;

(2) each of the applicable persons (including the proposed nominee and the stockholder giving notice) will provide to the Corporation such other

information and certifications as it may reasonably request, including any information required or requested by the Corporation's subsidiaries, or required, requested or expected by banking or other regulators;

(3)each of the applicable persons (including the proposed nominee and the stockholder giving notice) will provide facts, statements and other information in all communications with the Corporation and its stockholders that are or will be true and correct in all material respects and that do not and will not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(4)each of the applicable persons (including the proposed nominee and the stockholder giving notice) agrees to comply with all applicable law, rules and regulations in connection with the nomination, solicitation and election, as applicable (including Rule 14a-19 under the Exchange Act);

(5)each proposed nominee will, at the reasonable request of the Nomination and Governance Committee, meet with the Nomination and Governance Committee to discuss matters relating to the nomination of such proposed nominee to the Board of Directors, including the information provided by such proposed nominee to the Corporation in connection with such proposed nominee's nomination and eligibility to serve as a member of the Board of Directors;

(6)each proposed nominee (x) has read and agrees, if elected, to serve as a member of the Board of Directors, to adhere to the Corporation's Corporate Governance Standards, Code of Business Conduct and Ethics, Insider Trading Policy and any other rule, regulation, policy, guidelines or standard of conduct applicable to directors of the Corporation; and (y) would be in compliance with any such rule, regulation, policy, guidelines or standard of conduct that have been publicly disclosed;

(7)each proposed nominee is not and will not become a party to (x) any compensatory, payment or other financial agreement, arrangement or understanding with any person other than the Corporation in connection with service or action as a director of the Corporation that has not been disclosed to the Corporation, (y) any agreement, arrangement or understanding with any person as to how the proposed nominee would vote or act on any issue or question as a director (a "Voting Commitment") that has not been disclosed to the Corporation or (z) any Voting Commitment that could reasonably be expected to limit or interfere with the proposed nominee's ability to comply, if elected as a director of the Corporation, with fiduciary duties under applicable law; and

(8)each proposed nominee (x) intends to serve the full term for which such proposed nominee is standing for election if elected by the stockholders, and (y) consents to being named in any proxy statement, associated proxy card or other proxy materials; and

(9)(x) each proposed nominee agrees to comply with applicable state and federal law (including applicable fiduciary duties under state law) and the

rules of any stock exchange on which any shares of the Corporation are traded and (y) such proposed nominee's candidacy and, if elected, Board membership would not violate applicable state or federal law or the rules of any stock exchange on which the Corporation's securities are traded.

(iii) General

(A) The obligation of the stockholder giving notice, proposed nominee or other applicable person to provide information or an update pursuant to this Section 12 and under any questionnaire, representation or agreement, as applicable, shall not limit the Corporation's rights with respect to any deficiencies in any notice or information provided by such person, extend any applicable deadlines under this Section 12 or enable or be deemed to permit such person to amend or update any nomination or proposal, as applicable, or to submit any new nomination or proposal, including by substituting or adding nominees or proposals, as applicable. Such stockholder may not, after the last day on which a notice would be timely under this Section 12, cure in any way any defect preventing the submission of a proposal or nomination of a proposed nominee.

(B) The Corporation may also, as a condition of any nomination or business being deemed properly brought by a stockholder before a meeting of stockholders, require the such stockholder, any proposed nominee and any other person on whose behalf the nomination is being made to furnish such other information (A) that such person has agreed to furnish under the notice provided pursuant to this Section 12 and any questionnaire, representation or agreement delivered to the Corporation (including under any such person's agreement to update information in accordance with these Bylaws); (B) that could (as determined by the Board of Directors or any committee thereof) be required by the Corporation to determine whether the proposed nominee would be considered "independent" as a member of the Board of Directors under any independence standards set forth in the rules and listing standards of the primary stock exchange upon which any shares of capital stock of the Corporation are traded, any applicable rules of the SEC, and any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the Corporation's directors, including those applicable to a director's service on the audit committee, compensation committee or any other committee of the Board of Directors (collectively, the "Independence Standards") or meets the requirements for membership on the Board of Directors or any committee thereof or (C) that could be material to a reasonable stockholder's understanding of the qualifications and, fitness and/or independence, or lack thereof.

(C) Notwithstanding anything to the contrary in these Bylaws, unless otherwise required by applicable law, if any stockholder (i) provides notice pursuant to Rule 14a-19(b) under the Exchange Act with respect to any proposed nominee and (ii) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) or Rule 14a-19(a)(3) (or fails to timely provide reasonable evidence sufficient to satisfy the Corporation that such stockholder has met the requirements of Rule 14a-19(a)(3) under the Exchange Act in accordance with the following sentence), then the nomination of each such proposed nominee shall be disregarded, even if the Corporation has received proxies or votes in respect of such nomination (which proxies and votes shall also be disregarded). If a stockholder provides notice pursuant to Rule 14a-19(b) or includes the information required by Rule 14a-19(b) in a

preliminary or definitive proxy statement previously filed by such stockholder, such stockholder must provide in writing to the Secretary, no later than seven (7) business days prior to the applicable meeting of stockholders, a written certification (and upon request by the Corporation, reasonable evidence) that it has met the applicable requirements of Rule 14a-19 under the Exchange Act.

(D) Only persons who are nominated in accordance with the requirements set forth in the certificate of incorporation and these Bylaws (including in compliance with any questionnaire, representation or agreement required under these Bylaws) and in compliance with all applicable requirements of state and federal law, including Rule 14a-19 under the Exchange Act, shall be eligible to stand for election at the applicable meeting of stockholders or serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the requirements set forth in the certificate of incorporation and these Bylaws (including in compliance with any questionnaire, representation or agreement required under these Bylaws) and in compliance with all applicable requirements of state and federal law. Notwithstanding anything to the contrary, the notice requirements set forth herein with respect to the proposal of any business (other than the nominations of persons for election to the Board of Directors) by a stockholder pursuant to this Section 12 shall be deemed satisfied if such stockholder has submitted a proposal to the Corporation in compliance with Rule 14a-8 under the Exchange Act.

Section 13 Stockholder Nominations Included in the Corporation's Proxy Materials for the Annual Meeting of Stockholders:

(a) Inclusion of Nominees in Proxy Statement. Subject to the provisions of this Section 13, if expressly requested in the applicable Nomination Notice (as defined below), the Corporation shall include in its proxy statement for any annual meeting of stockholders:

(i) the name(s) of any person or person(s) nominated for election (each, a "Nominee"), which shall also be included on the Corporation's form of proxy and ballot, by any Eligible Holder (as defined below) or group of up to twenty (20) Eligible Holders that has (individually and collectively, in the case of a group) satisfied, as determined by the Board of Directors, all applicable conditions and complied with all applicable procedures set forth in this Section 13 (such Eligible Holder or group of Eligible Holders being a "Nominating Stockholder");

(ii) disclosure about each Nominee and the Nominating Stockholder required under the rules of the SEC or other applicable law or regulation to be included in the proxy statement;

(iii) any statement included by the Nominating Stockholder in the Nomination Notice for inclusion in the proxy statement in support of each Nominee's election to the Board of Directors (subject, without limitation, to Section 13(e)(ii)), provided that such statement does not exceed 500 words and fully complies with Section 14 of the Exchange Act and the rules and regulations thereunder, including Rule 14a-9 (or any successor rule) (the "Supporting Statement"); and

(iv) any other information that the Board of Directors determines, in its discretion, to include in the proxy statement relating to the nomination of each Nominee, including, without limitation, any statement in opposition to the nomination, any of the information provided pursuant to this Section 13 and any solicitation materials or related information with respect to a Nominee.

For purposes of this Section 13, any determination to be made by the Board of Directors may be made by the Board of Directors, a committee of the Board of Directors or any officer of the Corporation designated by the Board of Directors or a committee of the Board of Directors.

(b) Maximum Number of Nominees.

(i) The Corporation shall not be required to include in the proxy statement for an annual meeting of stockholders more Nominees than that number of directors constituting the greater of (A) two (2), or (B) twenty percent (20%) of the total number of directors of the Corporation on the last day on which a Nomination Notice may be submitted pursuant to this Section 13 (rounded down to the nearest whole number) (the "Maximum Number"). The Maximum Number for a particular annual meeting shall be reduced by: (1) Nominees who the Board of Directors decides to nominate for election at such annual meeting; (2) nominees who cease to satisfy, or Nominees of Nominating Stockholders that cease to satisfy, the eligibility requirements in this Section 13, as determined by the Board of Directors; (3) Nominees whose nomination is withdrawn by the Nominating Stockholder or who become unwilling to serve on the Board of Directors; (4) the number of incumbent directors who had been Nominees with respect to any of the preceding two (2) annual meetings of stockholders and whose reelection at the upcoming annual meeting is being recommended by the Board of Directors; and (5) the number of director candidates for whom the Corporation shall have received a notice pursuant to Section 12(a)(iii) of these Bylaws that a stockholder intends to nominate a candidate for director at such annual meeting (whether or not such notice is subsequently withdrawn or made the subject of a settlement of the Corporation); provided that the Maximum Number after such reduction with respect to this Section 13(b)(i)(5) shall in no event be less than one (1) candidate, which candidate shall be determined by the Board of Directors. In the event that one or more vacancies for any reason occurs on the Board of Directors after the deadline for submitting a Nomination Notice as set forth in Section 13(d) below, but before the date of the annual meeting, and the Board of Directors resolves to reduce the size of the board in connection therewith, the Maximum Number shall be calculated based on the number of directors in office as so reduced.

(ii) If the number of Nominees pursuant to this Section 13 for any annual meeting of stockholders exceeds the Maximum Number then, promptly upon notice from the Corporation, each Nominating Stockholder will select one (1) Nominee for inclusion in the proxy statement until the Maximum Number is reached, going in order of the amount (largest to smallest) of the ownership position as disclosed in each Nominating Stockholder's Nomination Notice, with the process repeated if the Maximum Number is not reached after each Nominating Stockholder has selected one (1) Nominee. If, after the deadline for submitting a Nomination Notice as set forth in Section 13(d), a Nominating Stockholder or a Nominee ceases to satisfy the eligibility requirements in this Section 13, as determined by the Board of Directors, a Nominating Stockholder withdraws its nomination or a Nominee becomes unwilling to serve on

the Board of Directors assuming election to the Board of Directors, whether before or after the mailing or other distribution of the definitive proxy statement, then the nomination shall be disregarded, and the Corporation: (A) shall not be required to include in its proxy statement or on any ballot or form of proxy the disregarded Nominee or any successor or replacement nominee proposed by the Nominating Stockholder or by any other Nominating Stockholder and (B) may otherwise communicate to its stockholders, including without limitation by amending or supplementing its proxy statement or ballot or form of proxy, that a Nominee will not be included as a nominee in the proxy statement or on any ballot or form of proxy and will not be voted on at the annual meeting.

(c) Eligibility of Nominating Stockholder.

(i) An "Eligible Holder" is a person who has either (A) been a record holder of the shares of common stock used to satisfy the eligibility requirements in this Section 13(c) continuously for the three-year period specified in Subsection 13(c)(ii) below, or (B) provides to the Corporate Secretary, within the time period referred to in Section 13(d), evidence of continuous ownership of such shares for such three-year period from one or more securities intermediaries in a form that the Board of Directors determines would be deemed acceptable for purposes of a stockholder proposal under Rule 14a-8(b)(2) (or any successor rule) under the Exchange Act (or any successor rule).

(ii) An Eligible Holder or group of up to twenty (20) Eligible Holders may submit a nomination in accordance with this Section 13 only if the person or group (in the aggregate) has continuously owned at least the Minimum Number (as defined below) of shares of the Corporation's common stock throughout the three-year period preceding and including the date of submission of the Nomination Notice, and continues to own at least the Minimum Number through the date of the annual meeting. Two or more funds that are (x) under common management and investment control, (y) under common management and funded primarily by a single employer or (z) a "group of investment companies," as such term is defined in Section 12(d)(1)(G)(ii) of the Investment Company Act of 1940, as amended, shall be treated as one (1) Eligible Holder if such Eligible Holder shall provide together with the Nomination Notice documentation reasonably satisfactory to the Corporation that demonstrates that the funds meet the criteria set forth in (x), (y) or (z) hereof. For the avoidance of doubt, in the event of a nomination by a group of Eligible Holders, any and all requirements and obligations for an individual Eligible Holder that are set forth in this Section 13, including the minimum holding period, shall apply to each member of such group; provided, however, that the Minimum Number shall apply to the ownership of the group in the aggregate. Should any stockholder cease to satisfy the eligibility requirements in this Section 13, as determined by the Board of Directors, or withdraw from a group of Eligible Holders at any time prior to the annual meeting of stockholders, the group of Eligible Stockholders shall only be deemed to own the shares held by the remaining members of the group.

(iii) The "Minimum Number" of shares of the Corporation's common stock means three percent (3%) of the number of outstanding shares of common stock as of the most recent date for which such amount is given in any filing by the Corporation with the SEC prior to the submission of the Nomination Notice.

(iv) For purposes of this Section 13, an Eligible Holder “owns” only those outstanding shares of the Corporation as to which the Eligible Holder possesses both:

(A) the full voting and investment rights pertaining to the shares; and

(B) the full economic interest in (including the opportunity for profit and risk of loss on) such shares; provided that the number of shares calculated in accordance with clauses (A) and (B) shall not include any shares: (1) purchased or sold by such Eligible Holder or any of its affiliates in any transaction that has not been settled or closed, (2) sold short by such Eligible Holder, (3) borrowed by such Eligible Holder or any of its affiliates for any purpose or purchased by such Eligible Holder or any of its affiliates pursuant to an agreement to resell or subject to any other obligation to resell to another person, or (4) subject to any Derivative Instruments entered into by such Eligible Holder or any of its affiliates.

An Eligible Holder “owns” shares held in the name of a nominee or other intermediary so long as the Eligible Holder retains the right to instruct how the shares are voted with respect to the election of directors and possesses the full economic interest in the shares. An Eligible Holder’s ownership of shares shall be deemed to continue during any period in which the Eligible Holder has delegated any voting power by means of a proxy, power of attorney, or other similar instrument or arrangement that is revocable at any time by the Eligible Holder. An Eligible Holder’s ownership of shares shall be deemed to continue during any period in which the Eligible Holder has loaned or pledged such shares provided that the Eligible Holder has the unrestricted power to recall loaned shares on five (5) business days’ notice, promptly recalls loaned or pledged shares upon being notified by the Corporation that any of its Nominees will be included in the Corporation’s proxy materials and continues to hold such shares through the date of the annual meeting. The terms “owned,” “owning” and other variations of the word “own” shall have correlative meanings. Whether outstanding shares of the Corporation are “owned” for these purposes shall be determined by the Board.

(v) No Eligible Holder shall be permitted to be in more than one (1) group constituting a Nominating Stockholder, and if any Eligible Holder appears as a member of more than one (1) group, it shall be deemed to be a member of the group that has the largest ownership position as reflected in the Nomination Notice.

(d) Nomination Notice. To nominate a Nominee, the Nominating Stockholder must, no earlier than one hundred fifty (150) calendar days and no later than one hundred twenty (120) calendar days before the anniversary of the date that the Corporation mailed its proxy statement for the prior year’s annual meeting of stockholders, submit to the Corporate Secretary at the principal executive office of the Corporation, all of the following information and documents (collectively, the “Nomination Notice”); provided, however, that if (and only if) the annual meeting is not scheduled to be held within a period that commences thirty (30) days before the anniversary date of the prior year’s annual meeting and ends thirty (30) days after such anniversary date (an annual meeting date outside of such period being referred to herein as an “Other Meeting Date”), the Nomination Notice shall be given in the manner provided herein by the later of the close of business on the date that is one hundred eighty (180) days prior to such Other Meeting Date or the tenth (10th) day following the date such Other Meeting Date is

first publicly announced or disclosed:

(i) A SEC Schedule 14N (or any successor form) relating to each Nominee, completed and filed with the SEC by the Nominating Stockholder as applicable, in accordance with SEC rules;

(ii) A written notice, in a form deemed satisfactory by the Board of Directors, of the nomination of each Nominee that includes the following additional information, agreements, representations and warranties by the Nominating Stockholder (including each group member);

(A) the information required with respect to the nomination of directors pursuant to Article I, Section 12(b)(ii) of these Bylaws (including the questionnaire, representation and warranty described therein);

(B) the details of any relationship that existed within the past three (3) years and that would have been described pursuant to Item 6(e) of SEC Schedule 14N (or any successor item) if it existed on the date of submission of the Schedule 14N;

(C) a representation and warranty that the Nominating Stockholder acquired the securities of the Corporation in the ordinary course of business and did not acquire, and is not holding, securities of the Corporation for the purpose or with the effect of influencing or changing control of the Corporation;

(D) a representation and warranty that each Nominee:

(1) does not have any direct or indirect relationship with the Corporation that would cause the Nominee to be considered not independent pursuant to the Corporation's Corporate Governance Standards and otherwise qualifies as independent under the rules of the primary stock exchange on which the Corporation's shares of common stock are traded;

(2) meets the audit committee and compensation committee independence requirements under the rules of the SEC and the primary stock exchange on which the Corporation's shares of common stock are traded;

(3) is a "non-employee director" for the purposes of Rule 16b-3 under the Exchange Act (or any successor rule);

(4) is an "outside director" for the purposes of Section 162(m) of the Internal Revenue Code (or any successor provision); and

(5) is not and has not been subject to any event specified in Rule 506(d)(1) of Regulation D (or any successor rule) under the Securities Act of 1933 or Item 401(f) of Regulation S-K (or any successor rule) under the Exchange Act, without reference to whether the event is material to an evaluation of the ability or integrity of such Nominee.

(E)a representation and warranty that the Nominating Stockholder satisfies the eligibility requirements set forth in Section 13(c) and has provided evidence of ownership to the extent required by Section 13(c)(i);

(F)a representation and warranty that the Nominating Stockholder intends to continue to satisfy the eligibility requirements described in Section 13(c) through the date of the annual meeting and a statement regarding the Nominating Stockholder's intent with respect to continued ownership of the Minimum Number of shares for at least one (1) year following the date of the annual meeting;

(G)details of any compensatory, payment or other financial agreement, arrangement or understanding with any person or entity in connection with service as a director of the Corporation and details of any Voting Commitment;

(H)a representation and warranty that the Nominating Stockholder will not engage in a "solicitation" within the meaning of Rule 14a-1(l) (without reference to the exception in Section 14a-1(l)(2)(iv)) under the Exchange Act (or any successor rules) with respect to the annual meeting, other than with respect to a Nominee or any nominee of the Board;

(I)a representation and warranty that the Nominating Stockholder will not use any form of proxy other than the Corporation's form of proxy in soliciting stockholders in connection with the election of a Nominee at the annual meeting;

(J)if desired, a Supporting Statement; and

(K)in the case of a nomination by a group, the designation by all group members of one (1) group member that is authorized to act on behalf of all group members with respect to matters relating to the nomination, including withdrawal of the nomination.

(iii)An executed agreement, in a form deemed satisfactory by the Board of Directors, pursuant to which the Nominating Stockholder (including each group member) agrees:

(A)to file any written solicitation or other communication described in 17 CFR Sections 240.14a-1(l)(1)(iii) and 240.14a-1(l)(2)(iv) with the Corporation's stockholders relating to one or more of the Corporation's directors or director nominees or any Nominee with the SEC, regardless of whether any such filing is required under rule or regulation or whether any exemption from filing is available for such materials under any rule or regulation;

(B)to assume all liability stemming from an action, suit or proceeding concerning any actual or alleged legal or regulatory violation arising out of any communication by the Nominating Stockholder or any of its Nominees with the Corporation, its stockholders or any other person in connection with the nomination or election of directors, including, without limitation, the Nomination Notice;

(C)to indemnify and hold harmless (jointly with all other group members, in the case of a group member) the Corporation and each of its directors, officers and employees individually against any liability, loss, damages, expenses or other costs (including attorneys' fees) incurred in connection with any claim, demand, threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the Corporation or any of its directors, officers or employees arising out of or relating to a failure or alleged failure of the Nominating Stockholder or any of its Nominees to comply with, or any breach or alleged breach of, its or their obligations, agreements or representations under this Section 13; and

(D)in the event that any information included in the Nomination Notice, or any other communication by the Nominating Stockholder (including with respect to any group member), with the Corporation, its stockholders or any other person in connection with the nomination or election ceases to be true and accurate in all material respects (or omits a material fact necessary to make the statements made not misleading), or that the Nominating Stockholder (including any group member) has failed to continue to satisfy the eligibility requirements described in Section 13(c), to promptly (and in any event within 48 hours of discovering such misstatement, omission or failure) notify the Corporation in writing and any other recipient of such communication of (A) the misstatement or omission in such previously provided information and of the information that is required to correct the misstatement or omission or (B) such failure.

The information and documents required by this Section 13(d) to be provided by the Nominating Stockholder shall be: (i) provided with respect to and executed by each group member, in the case of information applicable to group members; and (ii) provided with respect to the persons specified in Instruction 1 to Items 6(c) and (d) of SEC Schedule 14N (or any successor item) in the case of a Nominating Stockholder or group member that is an entity. The Nomination Notice shall be deemed submitted on the date on which all the information and documents referred to in this Section 13(d) (other than such information and documents contemplated to be provided after the date the Nomination Notice is provided) have been delivered to or, if sent by mail, received by the Corporate Secretary.

(e)Exceptions.

(i)Notwithstanding anything to the contrary contained in this Section 13, the Corporation may omit from its proxy statement any Nominee (including a Nominating Stockholder's Supporting Statement) and no vote on such Nominee will occur (notwithstanding that proxies in respect of such vote may have been received by the Corporation), and the Nominating Stockholder may not, after the last day on which a Nomination Notice would be timely, cure in any way any defect preventing the nomination of such Nominee, if:

(A)the Corporation receives a notice pursuant to Section 12(a)(iii) of this Article I, that a stockholder intends to nominate a candidate for director at the annual meeting, subject to the limitations contained in Section 13(b)(i)(5);

(B)the Nominating Stockholder or the designated lead group member, as applicable, or any Qualified Representative thereof, does not appear at the annual

meeting of stockholders to present the nomination submitted pursuant to this Section 13, the Nominating Stockholder withdraws its nomination or the person presiding at the annual meeting declares that such nomination was not made in accordance with the procedures prescribed by this Section 13 and shall therefore be disregarded;

(C)the Board of Directors determines that such Nominee's nomination or election to the Board of Directors would result in the Corporation violating or failing to be in compliance with the Corporation's Bylaws or certificate of incorporation or any applicable law, rule or regulation to which the Corporation is subject, including any rules or regulations of the SEC or the primary stock exchange on which the Corporation's shares of common stock are traded;

(D)such Nominee was nominated for election to the Board of Directors pursuant to this Section 13 at one of the Corporation's two (2) preceding annual meetings of stockholders and either withdrew or became ineligible or received less than twenty five percent (25%) of the votes cast at such annual meeting;

(E)the Nominating Stockholder is engaging in a "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act (without reference to the exception in Rule 14a-1(l)(2)(iv) under the Exchange Act) (or any successor rule) in support of the election of any individual as a director at the applicable annual meeting of stockholders other than a nominee of the Board of Directors and other than as permitted by this Section 13;

(F)(1) such Nominee has been, within the past three (3) years, an officer or director of a competitor, as defined for purposes of Section 8 of the Clayton Antitrust Act of 1914, as amended; (2) the Nominee's election as a member of the Board of Directors would cause the Corporation to seek, or assist in the seeking of, advance approval or to obtain, or assist in the obtaining of, an interlock waiver pursuant to the rules or regulations of the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the New York State Department of Financial Services or any other federal or state regulator; or (3) the Nominee is a director, trustee, officer or employee with management functions for any depository institution, depository institution holding company or entity that has been designated as a Systemically Important Financial Institution, each as defined in the Depository Institution Management Interlocks Act;

(G)the Corporation is notified, or the Board of Directors determines, that the Nominating Stockholder or the Nominee has failed to continue to satisfy the eligibility requirements described in Section 13(c), any of the representations and warranties made in the Nomination Notice ceases to be true and accurate in all material respects (or omits a material fact necessary to make the statements made not misleading), such Nominee becomes unwilling or unable to serve on the Board of Directors, or any material violation or breach occurs of the obligations, agreements, representations or warranties of the Nominating Stockholder or such Nominee under this Section 13; or

(H)the Nominee is a named subject of a pending criminal proceeding (excluding traffic violations or other minor offenses) or has been convicted in a criminal proceeding within the past ten (10) years.

(ii) Notwithstanding anything to the contrary contained in this Section 13, the Corporation may omit from its proxy statement, or may supplement or correct, any information, including all or any portion of the Supporting Statement or any other statement in support of a Nominee included in the Nomination Notice, if the Board of Directors determines that:

(A) such information is not true in all material respects or omits a material statement necessary to make the statements made not misleading;

(B) such information directly or indirectly impugns the character, integrity or personal reputation of, or directly or indirectly makes charges concerning improper, illegal or immoral conduct or associations, without factual foundation, with respect to, any person; or

(C) the inclusion of such information in the proxy statement would otherwise violate the SEC proxy rules or any other applicable law, rule or regulation or the rules of the primary stock exchange on which the Corporation's shares of common stock are traded.

The Corporation may solicit against, and include in the proxy statement its own statement relating to, any Nominee.

ARTICLE II

Directors

Section 1 Number and Qualifications: The number of directors constituting the entire Board of Directors shall not be less than three (3), except that where all the shares of the Corporation are owned beneficially and of record by less than three (3) stockholders, the number of directors may be less than three (3), but not less than the number of stockholders. Subject to any provision as to the number of directors contained in the certificate of incorporation or these Bylaws, the exact number of directors shall be fixed from time to time by action of the stockholders or by vote of a majority of the entire Board of Directors, provided that no decrease in the number of directors shall shorten the term of any incumbent director. If the number of directors be increased at any time, the vacancy or vacancies in the Board of Directors arising from such increase shall be filled as provided in Section 5 of this Article II. All of the directors shall be at least twenty-one (21) years of age.

Section 2 Election and Term of Office: Except as otherwise specified by law or these Bylaws, each director of the Corporation shall be elected at an annual meeting of stockholders or at any meeting of the stockholders held in lieu of such annual meeting, which meeting, for the purposes of these Bylaws, shall be deemed the annual meeting, and shall hold office until the next annual meeting of stockholders and until his or her successor has been elected and qualified.

Section 3 Resignation: Any director of the Corporation may resign at any time by giving his or her resignation to the President or any Vice President or the Corporate Secretary. Such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4Removal of Directors: Any director may be removed for cause, at any meeting of stockholders notice of which shall have referred to the proposed action, by vote of the stockholders. Any director may be removed without cause, at any meeting of stockholders notice of which shall have referred to the proposed action, by the vote of the holders of a majority of the shares of the Corporation entitled to vote. Any director may be removed for cause, at any meeting of the directors notice of which shall have referred to the proposed action, by vote of three-fourths (3/4) of the entire Board of Directors.

Section 5Vacancies: Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the Board of Directors for any reason except the removal of directors may be filled by vote of a majority of the directors then in office, although less than a quorum exists. Any vacancy occurring in the Board of Directors by reason of the removal of a director by stockholders may be filled by vote of the stockholders at the meeting at which such action is taken or at any meeting of stockholders notice of which shall have referred to the proposed election. If any such newly created directorships or vacancies occurring in the Board of Directors for any reason shall not be filled prior to the next annual meeting of stockholders, they shall be filled by vote of the stockholders at such annual meeting. Any director elected to fill a vacancy shall be elected to hold office for the unexpired term of his or her predecessor.

Section 6Directors' Fees: Directors, except salaried officers who are directors, may receive a fee for their services as directors and traveling and other out-of-pocket expenses incurred in attending any regular or special meeting of the Board of Directors. The fee may be a fixed sum to be paid for attending each meeting of the Board of Directors and/or a fixed sum to be paid monthly, quarterly, or semiannually, irrespective of the number of meetings attended or not attended. The amount of the fee and the basis on which it shall be paid shall be determined by the Board of Directors.

Section 7First Meeting of Newly Elected Directors: The first meeting of the newly elected Board of Directors may be held immediately after the annual meeting of stockholders, and at the same place as such annual meeting of stockholders, provided a quorum be present, and no notice of such meeting shall be necessary. In the event such first meeting of the newly elected Board of Directors is not held at said time and place, the same shall be held as provided in Section 8 of this Article II.

Section 8Meetings of Directors: Regular and special meetings of the Board of Directors shall be held at such times and at such place, within or without the State of New York, if any, or by such means of remote communications, as the Board of Directors may determine. Special meetings may also be called by the Chief Executive Officer or by any four (4) members of the Board of Directors, and shall be held at such time and at such place as the person or persons calling the meeting shall determine.

Section 9Notice of Meetings: Notice of each regular or special meeting of the Board of Directors, stating the time and place thereof shall be given by the Chairman of the Board, the Chief Executive Officer, the President, the Corporate Secretary, any Assistant Secretary or any member of the Board of Directors to each member of the Board of Directors not less than three (3) days before the meeting by depositing the same in the United States mail, with

first-class postage thereon prepaid, directed to each member of the Board of Directors at the address designated by him or her for such purpose (or, if none is designated, at his or her last known address), or not less than one (1) day before the meeting by telephoning or by delivering the same to each member of the Board of Directors personally, or sending the same by facsimile, electronic mail, or overnight express courier, or delivering it, to the address designated by him or her for such purpose (or, if none is designated, to his or her last known address). Notice of a meeting need not be given to any director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her. The notice of any meeting of the Board of Directors need not specify the purposes for which the meeting is called, except as provided in Section 4 of this Article II and as provided in Article X of these Bylaws.

Section 10Quorum and Action by the Board: At all meetings of the Board of Directors, except as otherwise provided by law, the certificate of incorporation or these Bylaws, a quorum shall be required for the transaction of business and shall consist of not less than one-third of the entire Board of Directors, and the vote of a majority of the directors present shall decide any question that may come before the meeting. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time or place without notice other than announcement at the meeting of the time and place to which the meeting is adjourned.

Section 11Procedure: The order of business and all other matters of procedure at every meeting of directors may be determined by the person presiding at the meeting.

Section 12Meetings by Conference Telephone: Any one (1) or more members of the Board of Directors or any committee thereof may participate in a meeting of such Board of Directors or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time, including video conferencing equipment. Participation by such means shall constitute presence in person at the meeting.

Section 13The Chairman of the Board: The Board of Directors shall annually, at the first meeting of the Board of Directors after the annual meeting of stockholders, appoint or elect a Chairman of the Board who shall have such authority and perform such duties as the Board of Directors or the Executive Committee may from time to time prescribe. The Chairman of the Board shall, unless otherwise determined by the Board of Directors, hold office until the first meeting of the Board of Directors following the next annual meeting of stockholders and until his or her successor has been elected or appointed and qualified.

Section 14The Vice Chairmen of the Board: The Board of Directors shall annually, at the first meeting of the Board of Directors after the annual meeting of stockholders, appoint or elect one or more Vice Chairmen of the Board who shall have such authority and perform such duties as the Board of Directors or the Executive Committee may from time to time prescribe. The Vice Chairmen of the Board shall, unless otherwise determined by the Board of Directors, hold office until the first meeting of the Board of Directors following the next annual meeting of stockholders and until their successors have been elected or appointed and qualified.

The Board of Directors shall elect a non-executive Vice Chairman of the Board who will perform the duties of “lead outside director.”

ARTICLE III **Committees of Directors**

Section 1Designation of Committees: The Board of Directors, by resolution or resolutions adopted by a majority of the entire Board of Directors, shall designate from among its members an Executive Committee, a Nomination and Governance Committee, a Compensation and Human Capital Committee, an Audit Committee, and a Risk Committee, each consisting of three (3) or more directors, and may designate from among its members other committees, each consisting of such number of directors as the Board of Directors may determine, and may designate one or more directors as alternate members of such committees, who may replace any absent or disqualified member or members at any meeting of such committees. In the interim between meetings of the Board of Directors, the Executive Committee shall have all the authority of the Board of Directors except as otherwise provided by law. The Executive Committee shall serve at the pleasure of the Board of Directors. Each other committee so designated shall have such name as may be provided from time to time in the resolution or resolutions, shall serve at the pleasure of the Board of Directors and shall have, to the extent provided in such resolution or resolutions, all the authority of the Board of Directors except as otherwise provided by law.

Section 2Acts and Proceedings: All acts done and power and authority conferred by the Executive Committee, the Nomination and Governance Committee, the Compensation and Human Capital Committee, the Audit Committee, and the Risk Committee, and each other committee from time to time within the scope of its respective authority shall be, and may be deemed to be, and may be specified as being, the act and under the authority of the Board of Directors. The Executive Committee, the Nomination and Governance Committee, the Compensation and Human Capital Committee, the Audit Committee, and the Risk Committee shall meet at such time and place and upon such notice as the respective committee may from time to time determine. Meetings of the Executive Committee may also be called by the Chairman of the Board and Chief Executive Officer, and meetings of the Executive Committee, the Nomination and Governance Committee, the Compensation and Human Capital Committee, the Audit Committee, and the Risk Committee, and each other committee may also be called the Chair of each such committee, and such meetings shall be held at such time and place as the Chairman of the Board and Chief Executive Officer or Chair, as the case may be, shall determine. The Executive Committee, the Nomination and Governance Committee, the Compensation and Human Capital Committee, the Audit Committee, and the Risk Committee, and each other committee shall keep regular minutes of its proceedings and report its actions to the Board of Directors when required.

Section 3Compensation: Members of any committee of the Board of Directors, except salaried officers who are directors, may receive such compensation for their services as the Board of Directors shall from time to time determine.

ARTICLE IV
Officers

Section 1Officers: The Board of Directors shall annually, at the first meeting of the Board of Directors following the annual meeting of stockholders, appoint or elect a Chief Executive Officer, one or more Vice Presidents, a Corporate Secretary and a Treasurer, and such other officers as it may determine, including a President, and may from time to time elect or appoint such additional officers as it deems necessary or appropriate. Such additional officers shall have the authority and perform such duties as the Board of Directors may from time to time prescribe.

Section 2Term of Office: The Chief Executive Officer, the President, each Vice President, the Corporate Secretary and the Treasurer shall, unless otherwise determined by the Board of Directors, hold office until the first meeting of the Board of Directors following the next annual meeting of stockholders and until their successors have been elected or appointed and qualified. Each additional officer appointed or elected by the Board of Directors shall hold office for such term as shall be determined from time to time by the Board of Directors and until his or her successor has been elected or appointed and qualified. Any officer, however, may be removed or have his or her authority suspended by the Board of Directors at any time, with or without cause. If the office of any officer becomes vacant for any reason, the Board of Directors shall have the power to fill such vacancy.

Section 3The Chief Executive Officer: The Board of Directors may from time to time designate one (1) of the officers of the Corporation as Chief Executive Officer. The Chief Executive Officer shall, under the control of the Board of Directors and the Executive Committee, have the general management of the Corporation's business affairs and property and shall exercise general supervision over all activities of the Corporation and the other officers. The Chief Executive Officer shall have the power to appoint or hire, to remove, and to determine the compensation of, all employees of the Corporation who are not officers, and to delegate the foregoing powers from time to time in whole or in part. Unless such authority is otherwise prescribed by the Board of Directors or the Executive Committee for the Chairman of the Board or a Vice Chairman of the Board, the Chief Executive Officer shall preside at all meetings of the stockholders and of the Board of Directors.

In the absence or incapacity of the Chief Executive Officer the powers and duties of that office shall be vested in such other officer as may from time to time be designated by the Board of Directors or the Executive Committee, or, in the absence of any such designation, as designated by the Chief Executive Officer.

Section 4The President: If the Board of Directors has not designated another officer as Chief Executive Officer, the President shall be the Chief Executive Officer of the Corporation.

Section 5The Corporate Secretary: The Corporate Secretary shall issue notices of all meetings of stockholders and directors where notices of such meetings are required by law or these Bylaws. He or she shall attend all meetings of stockholders and of the Board of Directors and keep the minutes thereof. He or she shall affix the corporate seal to and sign such

instruments as require the seal and his or her signature and shall perform such other duties as usually pertain to his or her office or as are properly required of him or her by the Board of Directors.

Section 6Officers Holding Two or More Offices: Any two (2) or more offices may be held by the same person, except the office of President and Corporate Secretary, but no officer shall execute or verify any instrument in more than one (1) capacity if such instrument be required by law or otherwise to be executed or verified by two (2) or more officers.

Section 7Duties of Officers May be Delegated: In case of the absence or disability of any officer of the Corporation, or in case of a vacancy in any office or for any other reason that the Board of Directors may deem sufficient, the Board of Directors, except as otherwise provided by law, may temporarily delegate the powers or duties of any officer to any other officer or to any director.

Section 8Compensation: The Compensation and Human Capital Committee shall, through appropriate consultation with the Board of Directors, determine the compensation and benefits of the Chief Executive Officer and other executive officers of the Corporation. In the event and to the extent that the Compensation and Human Capital Committee shall not hereafter exercise its discretionary power in respect of all other officers, the compensation to be paid to all other officers shall be determined by the Chief Executive Officer.

Section 9Power of Officers: Each officer of the Corporation shall have general power and authority in connection with all aspects of the business and operations of the Corporation as necessary or appropriate, including to sign on behalf of the Corporation and affix its seal, or cause the same to be affixed to, all instruments, documents or papers necessary for the conduct of the business of the Corporation. The powers and authority conferred herein may at any time be modified, changed, extended or revoked, and may be conferred in whole or in part on other employees or agents of the Corporation by the Board of Directors or the Executive Committee.

Section 10Security: The Board of Directors may require any officer, agent or employee of the Corporation to give security for the faithful performance of his or her duties, in such amount as may be satisfactory to the Board of Directors.

ARTICLE V

Indemnification of Directors and Officers

Section 1Right of Indemnification: Each director and officer of the Corporation, whether or not then in office, and any person whose testator or intestate was such a director or officer, shall be indemnified by the Corporation for the defense of, or in connection with, any threatened, pending or completed actions or proceedings and appeals therein, whether civil, criminal, governmental, administrative or investigative, in accordance with and to the fullest extent permitted by the Business Corporation Law of New York or other applicable law, as such law now exists or may hereafter be amended; provided, however, that the Corporation shall provide indemnification in connection with an action or proceeding (or part thereof)

initiated by such a director or officer only if such action or proceeding (or part thereof) was authorized by the Board of Directors.

Section 2Advancement of Expenses: Expenses incurred by a director or officer in connection with any action or proceeding as to which indemnification may be given under Section 1 of this Article V may be paid by the Corporation in advance of the final disposition of such action or proceeding upon (a) receipt of an undertaking by or on behalf of such director or officer to repay such advancement in the event that such director or officer is ultimately found not to be entitled to indemnification as authorized by this Article V and (b) approval by the Board of Directors acting by a quorum consisting of directors who are not parties to such action or proceeding or, if such a quorum is not obtainable, then approval by stockholders. To the extent permitted by law, the Board of Directors or, if applicable, the stockholders, shall not be required under this Section 2, to find that the director or officer has met the applicable standard of conduct provided by law for indemnification in connection with such action or proceeding.

Section 3Availability and Interpretation: To the extent permitted under applicable law, the rights of indemnification and to the advancement of expenses provided in this Article V (a) shall be available with respect to events occurring prior to the adoption of this Article V, (b) shall continue to exist after any rescission or restrictive amendment of this Article V with respect to events occurring prior to such rescission or amendment, (c) may be interpreted on the basis of applicable law in effect at the time of the occurrence of the event or events giving rise to the action or proceeding, or on the basis of applicable law in effect at the time such rights are claimed, and (d) are in the nature of contract rights which may be enforced in any court of competent jurisdiction as if the Corporation and the director or officer for whom such rights are sought were parties to a separate written agreement.

Section 4Other Rights: The rights of indemnification and to the advancement of expenses provided in this Article V shall not be deemed exclusive of any other rights to which any such director, officer or other person may now or hereafter be otherwise entitled whether contained in the certificate of incorporation, these Bylaws, a resolution of stockholders, a resolution of the Board of Directors, or an agreement providing such indemnification, the creation of such other rights being hereby expressly authorized. Without limiting the generality of the foregoing, the rights of indemnification and to the advancement of expenses provided in this Article V shall not be deemed exclusive of any rights, pursuant to statute or otherwise, of any such director, officer or other person in any such action or proceeding to have assessed or allowed in his or her favor, against the Corporation or otherwise, his or her costs and expenses incurred therein or in connection therewith or any part thereof.

Section 5Severability: If this Article V or any part hereof shall be held unenforceable in any respect by a court of competent jurisdiction, it shall be deemed modified to the minimum extent necessary to make it enforceable, and the remainder of this Article V shall remain fully enforceable.

ARTICLE VI

Shares

Section 1Certificate of Shares: The Board of Directors may authorize the issuance of shares of the Corporation either in certificated or uncertificated form, which uncertificated shares may be evidenced by a book-entry system maintained by the Corporation's transfer agent or registrar, or a combination of both. Shares issued in certificated form shall be represented by certificates which shall be numbered and shall be entered in the records of the Corporation as they are issued. Each share certificate shall when issued state upon the face thereof that the Corporation is formed under the laws of the State of New York, the name of the person or persons to whom issued, and the number and class of shares and the designation of the series, if any, which such certificate represents and shall be signed by the Chief Executive Officer or President and by the Corporate Secretary and shall be sealed with the seal of the Corporation or a facsimile thereof. The signatures of the officers upon a certificate may be a facsimile if the certificate is countersigned by a transfer agent or registered by a registrar other than the Corporation itself or its employee. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer at the date of issue. No certificate shall be valid until countersigned by a transfer agent if the Corporation has a transfer agent, or until registered by a registrar if the Corporation has a registrar. If shares are issued in uncertificated form, each stockholder shall be entitled upon written request to a stock certificate or certificates in the form prescribed above.

Section 2Transfer of Shares: Shares of the Corporation shall be transferable on the books of the Corporation by the holder thereof, in person or by duly authorized attorney, upon the surrender of the certificate representing such shares properly endorsed, or other evidence of ownership if no certificate shall have been issued, and payment of all taxes thereon. Except as otherwise provided by law, the Corporation shall be entitled to treat the holder of record of any share as the owner thereof and shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof. The Board of Directors, to the extent permitted by law, shall have power and authority to make all rules and regulations as it may deem expedient concerning the issue, transfer and registration of share certificates and may appoint one or more transfer agents and registrars of the shares of the Corporation.

Section 3Fixing of Record Date and Time: The Board of Directors may fix, in advance, a day and hour not more than sixty (60) days nor less than ten (10) days before the date on which any meeting of the stockholders is to be held, as the time as of which stockholders entitled to notice of and to vote at such meeting and at all adjournments thereof shall be determined; and, in the event such record date and time are fixed by the Board of Directors, no one other than the holders of record on such date and time of shares entitled to notice of and to vote at such meeting shall be entitled to notice of or to vote at such meeting or any adjournment thereof. If a record date and time shall not be fixed by the Board of Directors for the determination of stockholders entitled to notice of and to vote at any meeting of the stockholders, stockholders of record at the close of business on the day next preceding the day on which notice of such meeting is given, and no others, shall be entitled to notice of and to vote at such meeting or any adjournment thereof; provided, however, that if no notice of such meeting is

given, stockholders of record at the close of business on the day next preceding the day on which such meeting is held, and no others, shall be entitled to vote at such meeting or any adjournment thereof.

The Board of Directors may fix, in advance, a day and hour, not more than sixty (60) days nor less than ten (10) days before the date fixed for the payment of a dividend of any kind or the allotment of any rights, as the record time for the determination of stockholders entitled to receive such dividend or rights, and in such case only stockholders of record at the date and time so fixed shall be entitled to receive such dividend or rights; provided, however, that if no record date and time for the determination of stockholders entitled to receive such dividend or rights are fixed, stockholders of record at the close of business on the day on which the resolution of the Board of Directors authorizing the payment of such dividend or the allotment of such rights is adopted shall be entitled to receive such dividend or rights.

Section 4Record of Stockholders: The Corporation shall keep at its office in the State of New York, or at the office of its transfer agent or registrar in this State, a record containing the names and addresses of all stockholders, the number and class of shares held by each and the dates when they respectively became the owners of record thereof.

Section 5Lost Share Certificates: The Board of Directors may in its discretion cause a new certificate for shares to be issued by the Corporation in place of any certificate theretofore issued by it, alleged to have been lost or destroyed, and the Board of Directors may require the owner of the lost or destroyed certificate, or his or her legal representative, to give the Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss or destruction of any such certificate or the issuance of any such new certificate; but the Board of Directors may in its discretion refuse to issue such new certificate save upon the order of the court having jurisdiction in such matters.

ARTICLE VII

Finances

Section 1Corporate Funds: The funds of the Corporation shall be deposited in its name with such banks, trust companies or other depositories as the Board of Directors may from time to time designate. All checks, notes, drafts and other negotiable instruments of the Corporation shall be signed by such officer or officers, employee or employees, agent or agents as the Board of Directors may from time to time designate. No officers, employees or agents of the Corporation, alone or with others, shall have power to make any checks, notes, drafts or other negotiable instruments in the name of the Corporation or to bind the Corporation thereby, except as provided in this Section.

Section 2Fiscal Year: The fiscal year of the Corporation shall be the calendar year unless otherwise provided by the Board of Directors.

ARTICLE VIII
Corporate Seal

Section 1Form of Seal: The seal of the Corporation shall be in such form as may be determined from time to time by the Board of Directors. The seal on any corporate obligation for the payment of money may be facsimile.

ARTICLE IX
Emergency Bylaw Provisions

Section 1Taking Effect: The provisions of this Article IX may be declared effective by the New York State Defense Council as constituted under the New York State Defense Emergency Act, as amended, in the event of attack and shall cease to be effective when the Defense Council declares the end of the period of attack.

Section 2Quorum and Filling of Vacancies: Upon the effectiveness of this Article IX and until the Defense Council declares the end of the period of attack, the affairs of the Corporation shall be managed by such directors theretofore elected pursuant to Article II of these Bylaws as are available to act, and a majority of such directors available to act shall constitute a quorum. In the event, however, that there are less than three (3) such directors available to act, the director or directors available to act shall appoint a sufficient number of emergency directors to make a Board of Directors of three (3) directors. Each emergency director shall serve until the vacancy he or she was appointed to fill can again be filled by the previously elected director, except, however, that the period of his or her service shall end at such time as his or her appointment is terminated pursuant to Section 3 of this Article IX, or at such time as the New York State Defense Council declares the end of the period of attack and his or her successor shall be elected and qualified pursuant to Article II of these Bylaws. If, in the event of attack, there are no directors available to act, then the three (3) highest paid officers of the Corporation available to act shall constitute the emergency Board of Directors until one (1) or more of the previously elected directors are again available to act, except, however, that the period of their service as emergency directors shall end at such time as their service is terminated pursuant to Section 3 of this Article IX, or at such time as the New York State Defense Council declares the end of the period of attack and their successors shall be elected and qualified pursuant to Article II of these Bylaws.

Section 3Termination of Period of Service: The stockholders of the Corporation or the previously elected director or directors who are available to act may, pursuant to the provisions of Article II of these Bylaws, terminate the appointment or the period of service of any emergency director at any time and fill any vacancy created thereby.

ARTICLE X
Amendments

Section 1Procedure for Amending Bylaws: The Bylaws of the Corporation may be adopted, amended or repealed (a) at any meeting of stockholders, notice of which shall have referred to the proposed action, by the vote of the holders of a majority of the shares of the Corporation at the time entitled to vote in the election of any directors, or (b) at any

meeting of the Board of Directors, notice of which shall have referred to the proposed action, by the vote of a majority of the entire Board of Directors.

Section 2**Notice to Shareholders of Certain Amendments to Bylaws**: The Corporation shall provide notice to shareholders of certain amendments to the Bylaws as required by the provisions of Section 602(e) of the Business Corporation Law of New York.

ARTICLE XI

Election Under Section 912 of the New York Business Corporation Law

Section 1**Election**: The Corporation has expressly elected not to be governed by the provisions of Section 912 of the Business Corporation Law of New York. Until this bylaw is amended or repealed in the manner provided by law, none of the business combination provisions of Section 912 of the Business Corporation Law of New York shall apply to the Corporation.

M&T BANK CORPORATION**DESCRIPTION OF SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES AND EXCHANGE ACT OF 1934****AS OF DECEMBER 31, 2023**

The following description of M&T Bank Corporation's ("M&T") securities registered pursuant to Section 12 of the Securities and Exchange Act of 1934, as amended, is a summary, does not purport to be complete and is qualified in its entirety by reference to the pertinent sections of M&T's Restated Certificate of Incorporation (the "Certificate of Incorporation") and Amended and Restated Bylaws, which are exhibits to the Annual Report on Form 10-K of which this exhibit is a part.

Common Stock**General**

Pursuant to the Certificate of Incorporation, M&T's authorized capital stock consists of 250,000,000 shares of common stock, par value \$0.50 per share ("common stock"), and 20,000,000 shares of preferred stock, par value \$1.00 per share ("preferred stock"). All outstanding shares of our capital stock are fully paid and non-assessable. The rights of holders of common stock are subject to, and may be adversely affected by, the rights of holders of any of M&T's preferred stock that have been issued and may be issued in the future.

Voting Rights

Each holder of a share of common stock has one (1) vote for each share held on matters presented for consideration by the holders of common stock. Holders of common stock do not have cumulative voting rights.

Dividends Rights

Subject to preferences that may be applicable to any outstanding preferred stock, holders of common stock are entitled to share ratably in dividends when and if declared by M&T's board of directors from funds legally available for the dividends.

Liquidation Rights

In the event of liquidation, dissolution or winding up of M&T, whether voluntary or involuntary, holders of shares of common stock will be entitled to share ratably in any of its assets or funds that are available for distribution to the holders of common stock after the satisfaction of its liabilities (or after adequate provision is made therefor) and after preferences of any outstanding preferred stock.

Other Rights

The common stock is neither redeemable nor convertible into another security of M&T. Holders of common stock have no preemptive rights to acquire any additional shares of common stock.

Listing

The common stock is listed on the New York Stock Exchange under the ticker symbol "MTB."

Provisions of New York Law

A New York corporation may elect not to be governed by Section 912 of the New York Business Corporation Law, which places restrictions on certain business combinations with interested shareholders. M&T has made such an election.

Preferred Stock

The Certificate of Incorporation currently authorizes M&T's board of directors, without further action by the holders of common stock, to cause M&T to issue up to 20,000,000 shares of preferred stock in one or more series and for such consideration, not less than the par value thereof, as may be fixed from time to time by M&T's board of directors. Before the issuance of any shares of a particular series, M&T's board of directors is authorized to fix by resolution the designation of such series, the number of shares to comprise such series, the dividend rate or rates payable with respect to the shares of such series, the redemption price or prices, the voting rights, and any other relative rights, preferences and limitations pertaining to such series, without further vote or action by holders of common stock. If and when any further M&T preferred stock is issued, the holders of M&T preferred stock may have a preference over holders of M&T common stock in the payment of dividends, upon liquidation of M&T, in respect of voting rights and in the redemption of the capital stock of M&T.

Information regarding each of M&T's issued and outstanding series of preferred stock is presented in "Item 8—Financial Statements and Supplementary Data—Notes to Financial Statements—10. Shareholders' equity" of the Annual Report on Form 10-K of which this exhibit is a part as well as the Certificate of Incorporation.

Series H Preferred Stock

General

In connection with M&T's acquisition of People's United Financial, Inc. on April 1, 2022, M&T issued 10,000,000 shares of Perpetual Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series H, par value \$1.00 per share, (the "Series H Preferred Stock"). The authorized number of shares of the Series H Preferred Stock is 10,000,000 shares. The number of shares of Series H Preferred Stock may be increased from time to time pursuant to resolution adopted by M&T's board of directors or a duly authorized committee of M&T's board of directors, and any such

additional shares of Series H Preferred Stock shall form a single series with the Series H Preferred Stock.

Ranking

The Series H Preferred Stock ranks (i) senior, either as to dividends or upon M&T's liquidation, dissolution or winding up, or both, to M&T's common stock and any other class or series of M&T's capital stock that states that it is made junior to the Series H Preferred Stock as to dividends or upon M&T's liquidation, dissolution or winding up, as the case may be; (ii) on a parity, either as to dividends or upon M&T's liquidation, dissolution or winding up, or both, with any other class or series of M&T's capital stock that does not state that it ranks either junior or senior to the Series H Preferred Stock as to dividends or upon M&T's liquidation, dissolution or winding up, as the case may be; and (iii) junior, either as to dividends or upon M&T's liquidation, dissolution or winding up, or both, as to each other class or series of M&T's capital stock, if any, that states that it is made senior to the Series H Preferred Stock as to dividends or upon M&T's liquidation, dissolution or winding up, as the case may be.

Dividends Rights

Dividends on shares of Series H Preferred Stock are not cumulative. If for any reason M&T's board of directors or a duly authorized committee of M&T's board of directors does not declare a dividend on the Series H Preferred Stock in respect of a dividend period, then no dividend shall be deemed to have accrued for such dividend period or be payable on the applicable dividend payment date, and M&T will have no obligation to pay any dividend for that dividend period, whether or not M&T's board of directors or a duly authorized committee of M&T's board of directors declares a dividend on the Series H Preferred Stock for any subsequent dividend period with respect to the Series H Preferred Stock or for any future dividend period with respect to any other series of M&T's preferred stock or M&T's common stock.

Holders of the Series H Preferred Stock are entitled to receive, when, as and if declared by M&T's board of directors or a duly authorized committee of M&T's board of directors, out of assets legally available for the payment of dividends under New York law, non-cumulative cash dividends based on the liquidation preference of the Series H Preferred Stock at a rate equal to (i) 5.625% per annum for each quarterly dividend period from the original issue date to, but excluding, December 15, 2026, and (ii) three-month LIBOR plus a spread of 4.02% per annum for each quarterly dividend period from and including December 15, 2026. Pursuant to the Adjustable Interest Rate (LIBOR) Act and the regulation promulgated thereunder by the Board of Governors of the Federal Reserve System, for each quarterly dividend period from and including December 15, 2026, three-month LIBOR will be replaced by three-month Term SOFR, plus the applicable tenor spread adjustment set forth in such Act and regulation.

So long as any share of Series H Preferred Stock remains outstanding, unless full dividends on all outstanding shares of the Series H Preferred Stock in respect of the most recently completed dividend period have been declared and paid or a sum sufficient for the payment thereof has been set aside for such payment:

- no dividend shall be declared or paid or a sum sufficient for the payment thereof set aside for payment and no distribution shall be declared or made or set aside for payment on any junior stock (other than (i) a dividend payable solely in junior stock or (ii) any dividend in connection with the implementation of a shareholders' rights plan, or the redemption or repurchase of any rights under any such plan);
- no shares of junior stock shall be repurchased, redeemed or otherwise acquired for consideration by M&T, directly or indirectly, nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by M&T (other than (i) as a result of a reclassification of junior stock for or into other junior stock, (ii) the exchange or conversion of one share of junior stock for or into another share of junior stock, (iii) through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock, (iv) purchases, redemptions or other acquisitions of shares of the junior stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants, (v) purchases of shares of junior stock pursuant to a contractually binding requirement to buy junior stock existing prior to such most recently completed dividend period, including under a contractually binding stock repurchase plan, (vi) the purchase of fractional interests in shares of junior stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged, (vii) purchases or other acquisitions by any of M&T's broker-dealer subsidiaries solely for the purpose of market making, stabilization or customer facilitation transactions in junior stock in the ordinary course of business, (viii) purchases by any of M&T's broker-dealer subsidiaries of M&T's capital stock for resale pursuant to an offering by M&T of such capital stock underwritten by such broker-dealer subsidiary, or (ix) the acquisition by M&T or any of M&T's subsidiaries of record ownership in junior stock for the beneficial ownership of any other persons (other than for the beneficial ownership by M&T or any of M&T's subsidiaries), including as trustees or custodians; and
- no shares of parity stock, if any, shall be repurchased, redeemed or otherwise acquired for consideration by M&T, directly or indirectly, nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by M&T (other than (i) pursuant to pro rata offers to purchase all, or a pro rata portion, of the Series H Preferred Stock and such parity stock, if any, (ii) as a result of a reclassification of parity stock for or into other parity stock, (iii) the exchange or conversion of parity stock for or into other parity stock or junior stock, (iv) through the use of the proceeds of a substantially contemporaneous sale of other shares of parity stock, (v) purchases of shares of parity stock pursuant to a contractually binding requirement to buy parity stock existing prior to such most recently completed dividend period, including under a contractually binding stock repurchase plan, (vi) the purchase of fractional interests in shares of parity stock pursuant to the conversion or exchange provisions of such parity stock or the security being converted or exchanged, (vii) purchases or other acquisitions by any of M&T's broker-dealer subsidiaries solely for the purpose of market making, stabilization or customer facilitation transactions in parity stock in the ordinary course of business, (viii) purchases by any of M&T's broker-dealer subsidiaries of M&T's capital stock for resale pursuant to an offering by M&T of such capital stock underwritten by such broker-dealer subsidiary, or (ix) the acquisition by M&T or any of M&T's

subsidiaries of record ownership in parity stock for the beneficial ownership of any other persons (other than for the beneficial ownership by M&T or any of M&T's subsidiaries), including as trustees or custodians; provided that for the avoidance of doubt, references to parity stock in this clause refer to any class or series of capital stock that ranks on a parity with the shares of Series H Preferred Stock as to dividends and upon liquidation, dissolution or winding up.

M&T may not declare or pay or set apart funds for the payment of dividends on any preferred stock ranking equally with or junior to the Series H Preferred Stock as to dividends, if any, for any period unless M&T has contemporaneously declared and paid dividends on the shares of Series H Preferred Stock or set aside a sum sufficient for the payment thereof for such payment for the most recently completed dividend period. When dividends are not paid in full upon the shares of Series H Preferred Stock and any other series of preferred stock ranking equally with the Series H Preferred Stock as to dividends, if any, all dividends declared and paid upon the shares of the Series H Preferred Stock and any other series of preferred stock ranking equally with the Series H Preferred Stock as to dividends, if any, will be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current dividend period per share on Series H Preferred Stock, and accrued dividends, including any accumulations, if any, on such parity stock, if any, bear to each other.

As used in this section, "junior stock" means M&T's common stock and any other class or series of M&T's capital stock over which the Series H Preferred Stock has preference or priority either as to dividends or upon liquidation, dissolution or winding up, or both, as the context may require.

As used in this section, "parity stock" means any other class or series of M&T's capital stock that ranks on a parity with the shares of Series H Preferred Stock either as to dividends or upon liquidation, dissolution or winding up, or both, as the context may require.

As used in this section, "senior stock" means any other class or series of M&T capital stock that ranks senior to the Series H Preferred Stock, either as to dividends or upon liquidation, dissolution or winding up, or both, as the context may require.

Subject to the conditions described above, and not otherwise, dividends (payable in cash, capital stock, or otherwise), as may be determined by M&T's board of directors or a duly authorized committee of M&T's board of directors, may be declared and paid on junior stock or parity stock, if any, from time to time out of any assets legally available for such payment, and the holders of the Series H Preferred Stock will not be entitled to participate in those dividends.

Redemption

M&T may redeem the Series H Preferred Stock at its option, in whole or in part, from time to time, on or after April 1, 2027, at a redemption price equal to \$25.00 per share, plus any declared and unpaid dividends for prior dividend periods and any accrued but unpaid (whether or not declared) dividends for the then-current dividend period to, but excluding, the redemption date.

At any time within 90 days after a Regulatory Capital Treatment Event (as defined in the Certificate of Incorporation) M&T may redeem the Series H Preferred Stock at its option, in whole, but not in part, at a redemption price equal to \$25.00 per share, plus any declared and unpaid dividends for prior dividend periods and any accrued but unpaid (whether or not declared) dividends for the then-current dividend period to, but excluding, the redemption date.

Liquidation Rights

In the event M&T liquidates, dissolves or winds up its business and affairs, either voluntarily or involuntarily, holders of the Series H Preferred Stock will be entitled to receive and to be paid out of M&T's assets legally available for distribution to its shareholders a liquidating distribution of \$25.00 per share, plus an amount equal to any declared and unpaid dividends, without accumulation of any undeclared dividends, before M&T makes any payment or distribution of assets to the holders of its common stock or any other class or series of junior stock. Holders of the Series H Preferred Stock will not be entitled to any other amounts from M&T and will have no right or claim to any of M&T's remaining assets after they have received their full liquidating distribution.

In any such distribution, if M&T's assets are not sufficient to pay the liquidation preference plus declared and unpaid dividends in full to all holders of the Series H Preferred Stock and the liquidation amounts owed to all holders of parity stock, if any, the amounts paid to the holders of the Series H Preferred Stock and parity stock, if any, will be paid pro rata in accordance with the respective aggregate liquidating distributions owed to those holders.

Voting Rights

Except as provided in the Certificate of Incorporation or as otherwise specifically required by applicable law, the holders of the Series H Preferred Stock have no voting rights.

Rights to Elect Two Directors Upon Nonpayment

If M&T fails to pay, or declare and set apart for payment, dividends on outstanding shares of the Series H Preferred Stock for six or more quarterly dividend periods, whether or not consecutive, the number of directors on M&T's board of directors shall be increased by two at M&T's first annual meeting of the shareholders held thereafter, and at such meeting and at each subsequent annual meeting until continuous noncumulative dividends for at least one year on all outstanding shares of Series H Preferred Stock entitled thereto shall have been paid, or declared and set apart for payment, in full, the holders of the Series H Preferred Stock shall have the right, voting separately as a class together with holders of any other equally ranked series of preferred stock that have similar voting rights, if any (the "voting parity stock"), to elect such two additional members of M&T's board of directors (the "preferred directors") to hold office for a term of one year; provided that M&T's board of directors shall at no time include more than two preferred directors. Upon such payment, or such declaration and setting apart for payment, in full, the terms of the preferred directors shall forthwith terminate, and the number of directors shall be reduced by two, and such voting right of the holders of the Series H Preferred Stock shall cease, subject to increase in the number of directors as described above and to revesting of such voting

right in the event of each and every additional failure in the payment of dividends for six quarterly dividend periods, whether or not consecutive, as described above.

Other Voting Rights

So long as any shares of Series H Preferred Stock remain outstanding, the affirmative vote or consent of the holders of at least two-thirds in voting power of all outstanding shares of the Series H Preferred Stock and any voting parity stock, voting together as a separate class of M&T's capital stock, is required to authorize or increase the authorized amount of, or issue or create shares of, any class or series of senior stock, or issue any obligation or security convertible into or evidencing the right to purchase any such shares of senior stock.

So long as any shares of Series H Preferred Stock remain outstanding, the affirmative vote or consent of the holders of at least two-thirds in voting power of all outstanding shares of the Series H Preferred Stock, voting together as a separate class of M&T's capital stock, is required to:

- amend, alter or repeal any provision of the Certificate of Incorporation so as to adversely affect the powers, preferences, privileges or rights of the Series H Preferred Stock, taken as a whole; provided, however, that any increase in the amount of the authorized or issued Series H Preferred Stock or authorized common stock or authorized preferred stock or the creation and issuance, or an increase or decrease in the authorized or issued amount, of other series of preferred stock ranking equally with or junior to the Series H Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) or the distribution of assets upon liquidation, dissolution or winding up of M&T will not be deemed to adversely affect the powers, preferences, privileges or rights of the Series H Preferred Stock; or
- consummate a binding share exchange or reclassification involving the Series H Preferred Stock, or a merger or consolidation of M&T with or into another entity unless (i) the shares of the Series H Preferred Stock remain outstanding or are converted into or exchanged for preference securities of the new surviving entity and (ii) the shares of the remaining Series H Preferred Stock or new preferred securities have terms that are not materially less favorable than the Series H Preferred Stock.

In exercising the voting rights described above or when otherwise granted voting rights by operation of law or by M&T, each share of Series H Preferred Stock will be entitled to one vote.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of Series H Preferred Stock have been redeemed or have been called for redemption and sufficient funds have been irrevocably deposited in trust to effect such redemption.

Voting Rights under New York Law

New York law provides that the holders of preferred stock will have the right to vote separately as a class on any amendment to the Certificate of Incorporation that would limit the ability of the holders of M&T's preferred stock to vote on any matter, change any authorized shares of M&T's

preferred stock into a different number of shares of preferred stock or into the same or a different number of shares of one or more other classes or series of any class, decrease the par value of M&T's preferred stock, or change or abolish M&T's preferred stock (or any series thereof) or any of the relative rights, powers, preferences and limitations of M&T's preferred stock (or any series thereof). If any such proposed amendment would alter or change the powers, preferences or special rights of one or more series of preferred stock so as to affect them adversely, but would not so affect the entire class of preferred stock, only the shares of the series so affected shall be considered a separate class for purposes of this vote on the amendment. This right is in addition to any voting rights that may be provided for in the M&T certificate of incorporation.

Other Rights

The Series H Preferred Stock is not convertible into, or exchangeable for, shares of any other class or series of M&T's capital stock or other securities. The Series H Preferred Stock is perpetual and has no stated maturity and is not be subject to any sinking fund or other obligation to redeem or repurchase the Series H Preferred Stock.

Listing

The Series H Preferred Stock is listed on the New York Stock Exchange under the ticker symbol "MTBPrH."

M&T BANK CORPORATION

EMPLOYEE SEVERANCE PAY PLAN AND SUMMARY PLAN DESCRIPTION

(Restated June 1, 2021)

ARTICLE 1.

ESTABLISHMENT OF THE PLAN

Section 1.1. Establishment of the Plan. M&T Bank Corporation hereby restates the M&T Bank Corporation Employee Severance Pay Plan (the "Plan"). The Plan is designed to provide severance pay and other benefits to eligible employees of M&T Bank Corporation and its direct and indirect subsidiaries (collectively, the "Company") who are involuntarily terminated because of a reduction in force, outsourcing, or elimination of positions in an effort to aid the employees during their transition to other employment opportunities. The Plan is a welfare benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and is intended to meet the definition of a "severance pay plan" under Department of Labor Regulations Section 2510.3-2(b).

Section 1.2. Effective Date and Plan Year. The effective date of this Plan restatement is June 1, 2021. The Plan Year will be the 12-month period beginning each January 1 and ending on the following December 31.

ARTICLE 2.

PARTICIPANT

Section 2.1. Eligibility. Each full-time and part-time employee of the Company, whether compensated on a salaried or hourly basis, excluding any employee classified by the Company as fixed-term and excluding any employee who has agreed in writing to a different severance pay arrangement, is a "Participant" in the Plan.

Any person who is treated by the Company as an independent contractor, contingent worker, or a temporary worker, but who is later determined to be an employee, will not be eligible to participate in the Plan. The purpose of this provision is to exclude from participation in the Plan all persons who may actually be common law employees of the Company, but who are not paid as if they were employees, regardless of the reason they are excluded from the payroll, and regardless of whether that exclusion is correct. Moreover, any person who has signed an agreement with the Company stating that he or she is not eligible to participate in the Plan is not eligible to participate in the Plan during the term of that agreement, whether the person is a common law employee or not.

Section 2.2 Employees on Leave. An employee must be actively at work or must become eligible for active duty (i.e., released to return to work prior to or at the time employment is otherwise terminated in accordance with Company policy) to receive a Benefit (defined below), except as otherwise required by law.

ARTICLE 3.
BENEFIT AND PAYMENT OF BENEFIT

Section 3.1 Benefit.

(a) A Participant will receive a severance pay benefit ("Benefit") and certain other benefits, as determined in accordance with this Article 3, if the "Plan Administrator" (as hereinafter defined) determines the Participant satisfies the following conditions:

(1) The Participant applies for the Benefit by completing and signing forms provided by the Plan Administrator and by submitting those forms to the Plan Administrator,

(2) The Participant's employment is involuntarily terminated and that termination is a "Qualifying Event," as defined in Section 3.2, and

(3) The Participant (i) agrees in a written instrument satisfactory to the Company, in its sole discretion, to release the Company, its employees, agents, and related entities from any and all claims arising out of or related to the Participant's employment or termination of employment, and (ii) acknowledges the receipt of a Benefit under the Plan is subject to the terms and conditions of the written release. For a Participant to receive a Benefit under this Plan, the release of claims must be received by the Company by the deadline specified in the Participant's letter agreement setting forth the terms of separation from employment and must not be revoked by the Participant. The Company may extend the deadline for an individual Participant in its sole and absolute discretion, provided such an extension does not result in a violation of Section 409A of the Internal Revenue Code of 1986 (the "Code").

(b) Notwithstanding any provision to the contrary, the Company, through the Plan Administrator, may in its sole and absolute discretion enter into alternative severance arrangements or may award a severance benefit to an employee who has been terminated on terms that do not constitute a Qualifying Event under the Plan. In such case no Benefit will be provided to such employee under the Plan. Further, in the case of a Participant who is entitled to severance benefits, or benefits in the nature of severance, under any other severance plan, including any amounts payable under a plan, arrangement or agreement maintained for a special group of employees or pursuant to or resulting from any acquisition, merger, or other corporate reorganization by the Company, no Benefit will be provided to such Participant under the Plan, unless the other severance plan, arrangement or agreement specifically provides for a Benefit under the Plan. Any special rules or terms that may be applicable to such Participants who are entitled to receive Benefits under the Plan will be provided in an appendix to the Plan. The Company, through the Plan Administrator, also may in its sole and absolute discretion arrange for supplemental benefits, or for any benefits described in Section 3.5, to be provided to a Participant on terms that are different from those provided in the Plan.

Section 3.2 Qualifying Event. Subject to Section 3.6, a Qualifying Event is any permanent, involuntary termination of a Participant's active employment with the Company as a result of a job elimination due to a reduction in force, outsourcing or elimination of position, as determined by the Plan Administrator in his or her sole and absolute discretion, and for the

avoidance of doubt, will include any such job elimination occurring in connection with, or as a result of, a "Change in Control" as defined in the M&T Bank Corporation 2019 Equity Incentive Compensation Plan (or successor thereto). The date on which a Participant's employment officially terminates is called the "Termination Date."

Section 3.3. Benefit Amount.

(a)A Participant's Benefit is equal to the product of (i) his or her "Weekly Pay" (defined below) immediately prior to the Termination Date as determined by the Plan Administrator, and (ii) the number of weeks specified for the Participant's position and "Years of Service" (defined below) in Appendix A attached hereto.

(b)In the case of a salaried employee, "Weekly Pay" is the Participant's annual base salary, excluding those items identified in Section 3.3(e), divided by 52.

(c)In the case of an hourly employee, "Weekly Pay" is the Participant's straight time hourly wage rate in effect immediately prior to the Termination Date, excluding those items identified in Section 3.3(e), multiplied by the Participant's number of scheduled hours" of work per week.

(d)In the case of a commission-based employee, the amount determined to be the current year's "Flex Earnings" under the M&T Bank Flexible Benefits Plan, to a maximum of \$200,000, or current base salary, whichever is greater, will be used to derive the amount of Weekly Pay.

(e)For purposes of Sections 3.3(b), 3.3(c) and 3.3(d), Weekly Pay does not include overtime, shift pay, bonuses, equity awards, commissions, incentive pay, merit awards or any other supplemental payments.

The term, a "Year of Service," used in Appendix A, means each full year of employment as an employee, beginning with the Participant's most recent date of hire, during which a Participant was employed for a period of at least six months or more by the Company, or any of its predecessors, including any periods during which an employee was on vacation, sick leave, or other authorized leave.

Section 3.4. Form of Benefit Payment.

(a)Normal Form of Benefit. A Participant's Benefit will be paid in periodic installments consistent with the biweekly or other payroll practices in effect at the Company at the Termination Date or thereafter, commencing as soon as administratively practicable following the expiration of the statutory revocation period applicable to the release of claims provided under Section 3.1(a)(3). The first installment will include a "catch-up" payment consisting of all amounts that would have been paid earlier had the payments commenced on the first regular payroll date following the Termination Date. In any event, all payments must be completed by December 31 of the second calendar year following the calendar year of termination.

(b)Six-Month Delay. If a Participant is a "Specified Employee" (defined below) and it is determined that any portion of the Benefit or all or any portion of the additional benefits provided under the Plan are subject to Code Section 409A, those payments and/or additional benefits that are subject to Code Section 409A will be made only after the date that is six months after the Termination Date (or, if earlier, the date of death of the Participant). A "Specified Employee" for purposes of this Plan is an employee who is determined to be a "specified employee" within the meaning of Code Section 409A and related guidance, based on an identification date of December 31. A Participant who is a Specified Employee on December 31 will be deemed to be a Specified Employee for the 12- month period commencing the following April 1. Payments delayed under this Section 3.4(b) to which a Participant would otherwise be entitled during the first six months following the Termination Date will be accumulated and paid, along with any interest, as soon as administratively practical on or after the day that is six months after the Termination Date. During the period of payment suspension, all amounts accumulated will earn interest at a rate equal to 120% of the monthly compounded applicable federal rate, as in effect under Code Section 1274(d) for the month in which payments would otherwise have commenced.

Section 3.5. Additional Benefits.

(a)Continuation of Certain Benefits. Subject to the terms of the applicable benefit plans or arrangements, including annual open enrollment and employee contribution requirements where applicable, and to the requirements of any applicable law, a Participant who in the determination and sole and absolute discretion of the Plan Administrator qualifies for a Benefit, or who otherwise qualifies for continued coverage under the particular benefit plan , program, or arrangement described in this Section 3.5, will receive the following additional benefits in accordance with the terms provided below:

(1)Medical/Dental/Vision Plans. A Participant who is receiving benefits under the Company's medical, dental, and/or vision programs just prior to the Termination Date will continue to receive Company provided coverage (including any Company contribution toward the cost thereof) under these programs through the end of the month in which the Participant receives the last biweekly severance payment, not to exceed a period of 18 months. Participant contributions for coverage under these programs will be withheld from Benefit payments.

(2)Life Insurance/Accidental Death and Dismemberment (AD&D). A Participant who is receiving benefits under the Company's life insurance/AD&D insurance program just prior to the Termination Date will continue to receive coverage under this program (including any Company contribution toward the cost thereof) during the period in which a Participant is receiving payment of his or her Benefit, up to a maximum of six months from the Termination Date. Coverage under the life insurance/AD&D insurance program will end earlier if the Participant becomes covered by group life insurance through another employer. Participant contributions for coverage under the program will be withheld from Benefit payments.

(3)Medical Reimbursement Account, Limited Purpose Flexible Spending Account, and Health Savings Account. A Participant who is participating in the Company's Medical Reimbursement Account, Limited Purpose Flexible Spending Account and/or Health

Savings Account just prior to the Termination Date will continue to be eligible to participate in the applicable account through the end of the month in which the Participant receives his or her last bi-weekly severance payment, not to exceed a period of 18 months. A Participant will only receive an employer contribution to his or her Health Savings Account as set forth in the M&T Bank Corporation Flexible Benefits Plan Summary Plan Description. Participant contributions for coverage under these accounts will be withheld from a Participant's Benefit payments.

(4)Retirement Benefits. A Participant will continue to be credited with "Hours of Service" (as defined under the M&T Bank Corporation Pension Plan and the M&T Bank Corporation Retirement Savings Plan) for time paid as severance, up to a maximum of 501 hours, subject to the terms of these plans.

(5)Employee Assistance Plan. Coverage under the Employee Assistance Plan will continue to be available to the Participant and his or her immediate family members during the period in which the Participant is receiving payment of a Benefit under the Plan.

(6)Employee Discounted Financial Services. The provision of discounted financial services to a Participant is subject to the specifications of the product or service provided. The employee checking account discount will remain in effect during the period in which the Participant is receiving payment of a Benefit under the Plan.

(b)Bonus. If a Participant is covered under the M&T Bank Corporation Officers Discretionary Incentive Plan and has a Termination Date on or after September 1, the Participant will be paid a pro-rated corporate bonus for the year of termination, calculated by multiplying (i) the number of full months employed during the year of termination, and (ii) the amount of corporate bonus paid for the year prior to the year of termination. If a Participant is covered under a divisional bonus plan, the terms of the divisional bonus plan will govern with respect to any payment, and where silent, payment may be made in the discretion of business line management.

(c)PTO Payout. Consistent with the PTO Policy, a Participant will be paid for any earned and unused PTO upon termination of employment (however, unused PTO carried over from the prior year will not be paid out upon termination of employment).

(d)Equity Awards. The terms of the Company's equity award plans or agreements shall govern the vesting and exercise of any equity awards held by the Participant.

(e)Tuition Reimbursement. Any courses that were authorized by the Company and are in progress at or prior to the Termination Date will be honored in accordance with the provisions of the Company's Tuition Reimbursement Program and will not be subject to repayment in the event of a Qualifying Event.

(f) Cessation of Certain Benefits. A Participant whose termination results from a Qualifying Event will not be entitled to the following benefits or to participate in the following plans or programs after the Termination Date, except to the extent expressly allowed by the benefit, plan or program in question, or as otherwise provided in this Plan or required by law:

(1) Dependent Care Reimbursement Account

(2) Short Term Disability Benefits and Salary Continuation Pay

(3) Long Term Disability

(4) M&T Employee Stock Purchase Plan

(5) M&T Bank Corporation Retirement Savings Plan

(6) M&T Bank Corporation Pension Plan

(7) M&T Bank Corporation Supplemental Pension Plan

(8) M&T Bank Corporation Leadership Retirement Savings Plan

(9) M&T Bank Commuter Benefit

(10) Miscellaneous. Cellular phone service, systems access, car allowances, and corporate credit card authorization will cease upon last day worked or the Termination Date, whichever is earlier. Any undocumented business expenditures or credit card balances will be withheld from the payment of a Benefit until appropriate documentation is approved.

(g) Modifications. The Company reserves the right to modify or change the terms and conditions of any of the benefits described in Section 3.5 during the period in which a Participant is receiving a Benefit.

(h) Limitations. Nothing in this Section 3.5 shall be construed as providing a benefit to a Participant that is not otherwise provided in or by the benefit plans, programs or arrangements described in Section 3.5.

Section 3.6. Forfeitures of Benefit. A termination of employment is not a Qualifying Event and the Participant will not be entitled to a Benefit, or any other additional benefits under Section 3.5 of the Plan, if the termination is for any of the reasons listed in this Section 3.6. In addition, a Participant will forfeit his or her right to receive or continue to receive a Benefit and any additional benefits provided under Section 3.5 of the Plan if any of the following events occurs prior to or subsequent to the Termination Date, in either case as determined in the sole and absolute discretion of the Plan Administrator:

(a) The Participant breaches any written agreement between the Participant and the Company, including but not limited to non-solicitation and non-compete agreements.

(b)The Participant fails to remain in his or her assigned employment position by either resigning or being terminated for cause after notification of separation and prior to the Termination Date.

(c)After notification of separation, the Participant acts or fails to act in a manner that results in or is intended to result in detrimental consequences to the Company.

(d)The Participant improperly discloses proprietary or confidential information or trade secrets of the Company.

(e) The commission of misconduct or other terminable offense by the Participant.

(f)The Participant receives an offer of employment by the Company for a position that is comparable in terms of scheduled hours, shift, pay, and job responsibilities, as determined by the Plan Administrator in its sole discretion, unless the new position requires a transfer to a location that adds 25 or more miles one way to the Participant's current commute or increase the daily one way commute more than 30 minutes. For purposes of this Section 3.6(f), the following changes in scheduled hours, shift, pay, and job responsibilities will still be considered an offer of a comparable position:

(1) scheduled weekly hours of work are no more than 5 hours for full time and 3 hours for part time less than the Participant's current weekly scheduled hours, provided eligibility for benefits under the Flexible Benefits Plan is not reduced;

(2) a shift that does not warrant an adjustment to the Participant's receipt, or non-receipt, of a shift differential;

(3) no change to hourly rate of base pay; or

(4) new job responsibilities that are similar in scope (such as management to management, sales to sales, technical to technical, and clerical to clerical) to the Participant's current position.

(g)The Participant receives an offer of employment by a successor or assignee at the time of a merger, sale, outsourcing or other divestiture ("Successor") for a position that is substantially equivalent in terms of pay and comparable in terms of job responsibilities, unless the new position requires a transfer to a location that adds 25 or more miles one way to the Participant's current commute or increases the daily one way commute more than 30 minutes.

(h)The Participant accepts employment during the severance period with a Successor, regardless of whether or not the salary or position is comparable to the Participant's current salary or position. The severance benefit will be discontinued as of commencement of employment with the Successor.

Section 3.7. Beneficiary. In the event that a Participant dies during the period in which he or she is receiving a Benefit, the remaining Benefit will be paid in a lump sum to the designated beneficiary of record for the Participant under the Company's life insurance program. If no such beneficiary is designated, the remaining Benefit will be paid as provided under the default provisions of that program.

Section 3.8. Reemployment. If a Participant is reemployed by the Company while a Benefit is still payable under the Plan, all remaining Benefit payments will cease upon first day of rehire or two weeks from offer, whichever comes first.

ARTICLE 4. **ADMINISTRATION OF PLAN**

Section 4.1. Appointment of Plan Administrator and Responsibility for Administration of Plan. The Company has appointed the Executive Vice President, Chief Human Resources Officer of M&T Bank as the "Plan Administrator." The Plan Administrator will administer the Plan in accordance with its terms and has full and discretionary authority to interpret the terms of the Plan in its entirety and any of its provisions. The Plan Administrator may delegate to other persons its responsibilities to control and manage the operation of the Plan, and to the extent of such delegation, Plan Administrator as used in this Plan may also refer to any such delegated persons acting in a delegated capacity.

Section 4.2. Agents. The Plan Administrator may employ such agents, including counsel, as it deems advisable for the administration of the Plan.

Section 4.3. Indemnification. The Company shall indemnify, in the manner and to the extent provided for in the Company's By-Laws, the Plan Administrator as well as any employee of the Company to whom responsibilities have been delegated under Section 4.1, against any liability incurred in the course of administration of the Plan, except liability arising from their own gross negligence or willful misconduct.

Section 4.4. Records. The Plan Administrator will make a copy of this Plan available for examination by any Participant during the business hours of the Company.

Section 4.5. Liability. Except for its own negligence, willful misconduct or breach of fiduciary duty, the Plan Administrator (nor any agents appointed by the Plan Administrator) will not be liable to anyone for any act or omission in the course of the administration of the Plan.

Section 4.6. Withholding. The Company has the right to deduct or withhold from the Benefit paid under the Plan (or from other amounts payable to a Participant, if necessary) all employment, income or other taxes that are required to be deducted or withheld under any provision of law, as well as all taxes related to any additional benefits that a Participant may continue to receive under Section 3.5 of this Plan in accordance with the Participant's previous elections with respect to such benefit.

Section 4.7. Claims Procedure. The Plan Administrator has full and discretionary

authority to interpret the Plan in its entirety and any of its provisions. Any question as to the eligibility of any employee to become a Participant or receive a Benefit, or as to the computation of a Participant's Benefit or other benefit under the Plan, will be determined by the Plan Administrator in accordance with the terms of the Plan and the following procedures:

(a) Filing a Claim. If an individual disputes the Plan Administrator's decision with respect to his or her eligibility to become a Participant, or does not receive the Benefit to which he or she believes he or she is entitled, that individual (the "Claimant") must file a claim in writing with the Plan Administrator by submitting a written request to the Corporate Employee Relations Department, located at One M&T Plaza, 7th Floor, Buffalo, New York 14203.

(b) Plan Administrator's Notice of Decision. If the Plan Administrator totally or partially denies the claim, the Plan Administrator will notify the Claimant in writing within 90 days after receiving the claim. If the Plan Administrator determines that special circumstances require an extension of time to issue the notice of decision, the Plan Administrator must furnish, prior to the end of the initial 90-day period, a written extension notice. In no event may the extension exceed a period of 90 days from the end of the initial 90-day period. The extension notice must indicate the special circumstances requiring an extension of time and the date by which the Plan Administrator expects to render a determination.

The written notice of decision will state the specific reason for denial of the claim and make a specific reference to the Plan provisions on which the denial is based. It will describe any additional material the Claimant may need to submit to the Plan Administrator to have the claim approved, and will give the reasons why the material is necessary. In addition, the notice will explain the claim review procedure, the time limits applicable to such claim review procedure, and a statement of the Claimant's right to bring an action under Section 502(a) of ERISA.

(c) Appeal of Adverse Benefit Determination. If the Claimant receives a notice that the claim has been denied and disagrees with such denial, the Claimant, or his or her authorized representative, must appeal to the Plan Administrator to review the claim. The Claimant must submit a written request for review to the Plan Administrator within 60 days after the date the written notice of denial of the claim is received. In connection with a request to review an adverse benefit determination, a Claimant, or his or her authorized representative, (1) may submit written comments, documents, records, and other information relating to the claim for consideration by the Plan Administrator; and (2) will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits. The Plan Administrator's review will take into account all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether the information was submitted or considered in the initial benefit determination.

The Plan Administrator will notify a Claimant of the Plan's benefit determination on review within a reasonable period of time, but not later than 60 days after receipt of the Claimant's request for review by the Plan, unless the Plan Administrator determines that special circumstances require an extension of time for processing the review. If the Plan Administrator determines that an extension of time for processing is required, written notice of the extension will be furnished to the Claimant prior to the termination of the initial 60-day period. In no event will an extension exceed a period of 60 days from the end of the initial 60-day period. The extension notice will describe the

special circumstances that require an extension of the time and the date by which the Plan expects to render the determination on review.

In the case of an adverse benefit determination on review, the written notice of determination will include the specific reason or reasons for the adverse determination, a reference to the specific Plan provisions on which the benefit determination is based, a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents records and other information relevant to the Claimant's claim for benefits, and a statement of the Claimant's right to bring an action under Section 502(a) of ERISA.

For purposes of this subsection, a document, record or other information will be considered "relevant" to a Claimant's claim if the document, record or other information (i) was relied upon in making the benefit determination, (ii) was submitted, considered or generated in the course of making the benefit determination, without regard to whether that document, record or other information was relied upon in making the benefit determination, and (iii) demonstrates compliance with the administrative processes and safeguards required in making the benefit determination. The Plan Administrator's decision is final and conclusive.

(d)Legal Actions. A Claimant must first exhaust the claims procedure set forth in this Section 4.7 prior to commencing any action under Section 502(a) of ERISA or any similar action against the Plan, the Company, the Plan Administrator, or any agent thereof. Any such action must be commenced within 6 months following the date on which the Claimant has exhausted, or is deemed under ERISA to have exhausted, the claims procedure set forth in this Section 4.7. Further, any such action must be brought in the federal or state courts located in Erie County, New York.

Section 4.8. Contributions and Financing. All benefits required to be paid by the Company under the Plan will be paid as due directly by the Company from its general assets.

ARTICLE 5.

MISCELLANEOUS PROVISIONS

Section 5.1. Terms are Legally Enforceable. The Company intends that the terms of this Plan, including those relating to coverage and benefits, are legally enforceable.

Section 5.2. Plan Exclusively Benefits Employees. The Company intends that the Plan is maintained for the exclusive benefit of employees (including former employees) of the Company.

Section 5.3. Illegality of Particular Provision. The illegality of any particular provision of the Plan will not affect the other provisions, and the Plan will be construed in all other respects as if such invalid provision were omitted.

Section 5.4 Applicable Laws. To the extent not pre-empted by ERISA, the Plan will be governed by the laws of the State of New York without regard to conflicts of law principles.

Section 5.5. Non-Guaranty of Employment. Nothing in this Plan may be construed as granting any Participant a right to employment with the Company.

Section 5.6. ERISA Rights Statement. As a Participant in the Plan, you are entitled to certain rights and protections under ERISA, as follows:

(a) Receiving Information About your Plan and Benefits. ERISA provides that all Plan Participants are entitled to: examine, without charge, at the Plan Administrator's office and at other specified locations, all documents governing the Plan, including insurance contracts, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration; obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts, and copies of the latest annual report (Form 5500 Series) and updated summary plan description (the Plan Administrator may make a reasonable charge for the copies); and receive a summary of the Plan's annual financial report (the Plan Administrator is required by law to furnish each Participant with a copy of this summary annual report).

(b) Prudent Actions by Plan Fiduciaries. In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

(c) Enforcing Your Rights. If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or Federal court once you have exhausted the Plan's claims procedure. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

(d) Assistance With Your Questions. If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution

Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Section 5.7. 409A Compliance. Notwithstanding anything in this Plan to the contrary:

(a) It is intended that all amounts payable under this Plan are either exempt from or comply with Code Section 409A so as not to subject any Participant to payment of any additional tax, penalty or interest imposed under Code Section 409A. The provisions of this Plan will be construed and interpreted to avoid the imposition of any such additional tax, penalty or interest under Code Section 409A yet preserve (to the greatest extent reasonably possible) the intended benefit payable to the Participants. However, the Company will not be liable to any Participant or beneficiary with respect to any adverse tax consequences arising under Section 409A or other provision of the Code. All terms of this Plan that are undefined or ambiguous must be interpreted in a manner that is consistent with Code Section 409A, if necessary to comply with Code Section 409A.

(b) All reimbursements under this Plan will be made as soon as practicable following submission of a reimbursement request, but no later than December 31 of the year following the year during which the underlying expense was incurred or paid. The amount of expenses eligible for reimbursement, or in-kind benefits provided, during one taxable year will not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year. The right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

Section 5.8. Summary Plan Description Additional Disclosure.

Plan Name:	M&T Bank Corporation Employee Severance Pay Plan
Plan Sponsor	M&T Bank Corporation One M&T Plaza Buffalo, New York 14203 (716) 842-4200
Plan Administrator:	Executive Vice President, Chief Human Resources Officer of M&T Bank
Type of Plan:	Welfare plan providing severance benefits
Funding:	Benefits are paid from the general assets of the Company
Employer Identification No:	16-0968385
Plan No.:	512
Plan Year Ends:	December 31
Agent for Service of Legal Process:	M&T Bank Corporation One M&T Plaza Buffalo, New York 14203 (716) 842-4200

ARTICLE 6.
AMENDMENT AND TERMINATION

Section 6.1 Amendment of the Plan. The Company intends to maintain this Plan indefinitely, but reserves the right to amend, modify or terminate the Plan at any time, prospectively or retroactively, for any reason, without notice by action of the Board of Directors of M&T Bank Corporation or as otherwise provided herein. However, no amendment, modification, or termination will reduce or otherwise adversely affect the Benefit of any Participant who is in pay status at the time the amendment, modification or termination is effective. The Plan Administrator, on behalf of the Company, may make modifications or amendments to the Plan that are necessary or appropriate to (i) maintain the Plan as a plan meeting the requirements of the applicable provisions of ERISA or other legal or tax qualification requirements, or (ii) improve or simplify Plan administration; provided, however, that no such modification or amendment shall significantly increase or decrease Benefits payable under the Plan, or significantly alter the Plan's design.

IN WITNESS WHEREOF, M&T Bank Corporation adopts this restated Plan effective June 1, 2021.

M&T BANK CORPORATION

: /s/ Tracy Woodrow
Tracy Woodrow
Executive Vice President
Chief Human Resources Officer

M&T BANK CORPORATION EMPLOYEE SEVERANCE PAY PLAN – APPENDIX A

LEVEL		JOB ELIMINATION BENEFIT (Number of Weeks of Severance Benefit)
OFF ICE RS	Senior Executive Vice President	Per Agreement - Minimum 52 weeks to a maximum of 104 weeks of Weekly Pay
	Executive Vice President	52 weeks of Weekly Pay
	Senior Vice President	26 weeks of Weekly Pay plus one week for every Year of Service to a maximum of 52 weeks
	Vice President	Twelve weeks of Weekly Pay plus one week for every Year of Service to a maximum of 37 weeks
	Assistant Vice President	Eight weeks of Weekly Pay plus one week for every Year of Service to a maximum of 33 weeks

A S S O C I A T E S	Executive Associate (Less Than 5 Years of Service)	Thirteen weeks of Weekly Pay or applicable position elimination benefit, whichever is greater
	Grade 56	Four weeks of Weekly Pay plus one week for every Year of Service to a maximum of 29 weeks
	Grade 55 and Below	Two weeks of Weekly Pay plus one week for every Year of Service for an employee with less than 10 Years of Service Three weeks of Weekly Pay plus one week for every Year of Service for an employee with 10 to 19 Years of Service Four weeks of Weekly Pay plus one week for every Year of Service for an employee with 20 or more Years of Service, to a maximum of 26 weeks

**FIRST AMENDMENT TO
M&T BANK CORPORATION
LEADERSHIP RETIREMENT SAVINGS PLAN**

WHEREAS, Manufacturers and Traders Trust Company (the “Company”) sponsors the M&T Bank Corporation Leadership Retirement Savings Plan, most recently restated effective January 1, 2020 (the “Plan”); and

WHEREAS, Section 8.1 of the Plan permits the Company to amend the Plan at any time; and

WHEREAS, the Company seeks to amend the Plan to prospectively modify eligibility for participation and to make other such changes as previously approved by the Company’s Board of Directors.

NOW, THEREFORE, the Company hereby amends the Plan as described below effective November 30, 2023 or such date as otherwise indicated:

1. Article II is hereby amended to revise the definition of “Employee” to read as follows:

Employee – a common law employee of an Employer who (i) is classified by the Employer at salary grade 61 or higher, or (ii) was classified by the Employer at the Senior Vice President level or higher on October 31, 2019.

Effective January 1, 2024 including with respect to deferral elections effective on such date, Employee shall mean a common law employee of an Employer who (i) is classified by the Employer at salary grade 65 or higher, or (ii) is classified by the Employer (a) at salary grade 61 or higher (or was classified by an Employer at the Senior Vice President level or higher on October 31, 2019) (the “Salary Grade Criteria”), and (b) received cash compensation from an Employer in the prior Plan Year which exceeds the Code Section 416(i)(1)(A)(i) limit for the current Plan Year (the “Compensation Criteria”). For purposes of a common law employee of an Employer who received zero cash compensation from an Employer for the prior Plan Year, such common law employee shall be deemed to satisfy the Compensation Criteria if base salary for the current Plan Year exceeds the Code Section 416(i)(1)(A)(i) limit for the current Plan Year. Notwithstanding the foregoing, if a common law employee of an Employer (i) satisfies the Salary Grade Criteria, (ii) is required but fails to satisfy the Compensation Criteria, and (iii) has a deferral election in place for the current Plan Year, such common law employee shall be treated as an Employee until such common law employee fails to make a deferral election for a future Plan Year, at which time Employee treatment shall end and may only resume if and when the Compensation Criteria is satisfied.

2. Article III, Section 3.2 is hereby amended to revise subsection (a) thereof to read as follows:

(a) For each Plan Year, an eligible Employee may elect to defer any whole percentage up to 50% of their Compensation, and their Account will be credited with the amount deferred under Section 4.4. An Employee is only eligible to defer Compensation for a Plan Year if they are an Employee on the November 30 next preceding the Plan Year.

3. Article IV, Section 4.2 is hereby amended to revise subsection (b)(1) thereof to read as follows:

(1) Is the RAA Contribution that would have been contributed under Section 4.6 of the RSP for the Participant for the Plan Year, taking into account only Compensation that is above one times the Compensation Limitation and below two times the Compensation Limitation for the Plan Year, and

4. Article VIII, Section 8.1 is hereby amended to read as follows:

8.1 Amendment and Termination of Plan. The Company's Compensation and Human Capital Committee may amend or terminate this Plan at any time. Any such amendment or termination will be made in writing by the Company's Compensation and Human Capital Committee or its designee, and will be effective as of the date specified in such writing. No amendment or termination may directly or indirectly deprive any Participant or Beneficiary of any portion of the Participant's Account balance as of the date of amendment or termination without the written consent of the Participant or Beneficiary. Notwithstanding the forgoing, the M&T Bank Employee Benefit Plans Committee shall have the authority to amend this Plan at any time to the extent such amendment is in order to (i) maintain the Plan's compliance with applicable legal or tax requirements, or (ii) improve or simplify Plan administration, provided that no such amendment may significantly increase or decrease Plan benefits or the cost thereof, or significantly alter the Plan's design.

5. Article IX is hereby amended to add a new Section 9.13 to read as follows:

9.13 Recoupment and Forfeiture. Effective January 1, 2024 and to the extent permitted by applicable law, including without limitation Code Section 409A, all amounts payable under the Plan are subject to offset in the event that a Participant has an outstanding recoupment or forfeiture obligation to the Employer under the terms of the M&T Bank Corporation Executive Compensation Recoupment Policy or any other applicable recoupment or forfeiture policy. In the event of a recoupment or forfeiture event, the amount required to be recouped shall be deemed not to have been earned under the terms of the Plan, and the Employer shall be entitled to recover from the Participant the amount specified under the applicable policy to be recouped or forfeited.

IN WITNESS WHEREOF, the Company has caused this First Amendment to be executed by the undersigned officer in its Human Resources Department.

MANUFACTURERS AND TRADERS TRUST COMPANY

By: /s/ Ann Marie Odrobina

Date: November 15, 2023

M&T BANK CORPORATION
2019 EQUITY INCENTIVE COMPENSATION PLAN

* * *

PERFORMANCE SHARE UNIT AWARD AGREEMENT

GRANTEE:

DATE OF GRANT:

PERFORMANCE SHARE UNITS ("Target Award"):

PERFORMANCE PERIOD:

M&T Bank Corporation (the "Company") hereby grants to the Grantee this Performance Share Unit Award. This grant is made pursuant to the M&T Bank Corporation 2019 Equity Incentive Compensation Plan (the "Plan") and is subject to the terms and conditions of the Plan and this Agreement. As used herein, the term "Agreement" shall mean, collectively, this cover page with the Performance Goals attached as Exhibit A, the related Terms and Conditions of Performance Share Unit Award delivered to the Grantee with this cover page (the "Terms and Conditions"), and, as applicable, any clawback policy adopted by the Board from time to time, including the Policy for Alignment of Incentive Compensation with Risk and the M&T Bank Corporation Executive Compensation Recoupment Policy, each as may be amended from time to time (the "Forfeiture Policies"). As used herein, the term "vest" shall mean the satisfaction of the Performance Goals and other conditions described herein and in the Plan with respect to one or more Performance Share Units, but shall not mean the actual settlement of the Award. Capitalized terms used in this Agreement without definition shall have the meanings assigned to them in the Plan. A copy of the Plan, the Plan prospectus and the Forfeiture Policies can be viewed and downloaded from the Company's Intranet under the Human Resources page.

Subject to the terms of the Plan, the Forfeiture Policies (as applicable), and this Agreement, including without limitation, the Grantee's fulfillment of the employment requirements in Section 4 of the Terms and Conditions, the Performance Share Units awarded hereunder will vest by achieving the Performance Goals set forth on Exhibit A attached hereto, subject to the applicable provisions of the Plan and this Agreement. Based on the achievement of the Performance Goals set forth on Exhibit A, the Grantee is eligible to vest in up to 150% of the Target Award, subject to fulfillment of the employment requirements in Section 4 of the Terms and Conditions.

To the extent the Performance Goals are achieved and the Grantee fulfills the employment requirements in Section 4 of the Terms and Conditions, a number of shares of Common Stock equal to the vested Performance Share Units will be distributed to the Grantee.

To the extent the Performance Share Units do not vest, the unvested portion of the Grantee's Performance Share Units is subject to forfeiture under Section 4 of the Terms and Conditions and, as applicable, the Forfeiture Policies.

IN WITNESS WHEREOF, the Company has caused this Agreement to be signed on its behalf effective as of the Date of Grant.

M&T BANK CORPORATION

By: _____

Exhibit A
Performance Goals

1. Calculation of ROTCE.

(a) Except as otherwise set forth in Sections 4(c), (d) and (e) of the Terms and Conditions, 50% of the Performance Share Units will vest based on the following performance results ("ROTCE Performance Share Units"): (i) the average relative return on tangible common equity ("ROTCE") for the Performance Period, which means the Company's ROTCE relative to the median ROTCE of the Peer Group (defined in Section 7 below) and (ii) the Company's ROTCE for the Performance Period ("Absolute ROTCE").

(b) At the end of the Performance Period, the ROTCE for the Company, and for each company in the Peer Group, shall be calculated as a three-year average, as follows:

(i) by taking net operating income available to common equity (computed in accordance with Section 1(b)(iii) below) and dividing by the average tangible common equity (computed in accordance with Section 1(b)(iv) below) for each fiscal year in the Performance Period, and

(ii) by calculating a three-year average for the Performance Period based on the annual amounts in Section 1(b)(i) above.

(iii) Net operating income available to common equity shall be computed by taking net income available to common equity and adding back the after-tax effect of the amortization of core deposit and other intangible assets, adding back the after-tax effects of expenses (when incurred) associated with merging acquired or to be acquired operations into the Company, and subtracting the after-tax effects of merger-related gains (when realized).

(iv) Average tangible common equity shall be computed by taking average common equity for the applicable period and subtracting average goodwill and average core deposit and other intangible assets (net of any related average deferred tax amounts).

(v) The Company shall make such adjustments as it deems necessary or appropriate to provide comparable ROTCE calculations among the Company and the companies in the Peer Group.

2. Relative ROTCE Vesting Percentage.

(a) Subject to Section 3 below, the number of ROTCE Performance Share Units that may vest for the Performance Period shall be determined by multiplying 50% of the Target Award by the Relative ROTCE Vesting Percentage, as determined under this Section 2.

(b) The Relative ROTCE Vesting Percentage will be determined based on the Company's ROTCE percentile ranking compared to the ROTCE of the companies in the Peer Group for the Performance Period, as follows:

(i) If the Company's ROTCE falls at the median of the Peer Group, the Relative ROTCE Vesting Percentage will be 100%.

(ii) If the Company's ROTCE falls at or above the 75th percentile of the Peer Group, the Relative ROTCE Vesting Percentage will be 150%.

(iii) If the Company's ROTCE falls at the 25th percentile of the Peer Group, the Relative ROTCE Vesting Percentage will be 75%.

(iv) If the Company's ROTCE falls below the 25th percentile of the Peer Group, the Relative ROTCE Vesting Percentage will be 50%.

(v) If the Company's ROTCE rank falls between measuring points, the Relative ROTCE Vesting Percentage will be interpolated on a straight line basis.

Relative ROTCE		
Performance Level		Relative ROTCE Vesting Percentage
≥ 75th Percentile		150%
50th Percentile		100%
25th Percentile		75%
< 25th Percentile		50%

3. Adjustment Based on Absolute ROTCE. Notwithstanding Section 2 above, and except as provided in Sections 4(c), (d) and (e) of the Terms and Conditions, there will be no vesting of the ROTCE Performance Share Units if the Company's Absolute ROTCE is less than 5%. If the Company's Absolute ROTCE is equal to or greater than 17%, vesting of the ROTCE Performance Share Units will be determined to be at maximum, for a final vesting percentage of 150%, regardless of the level of achievement of relative ROTCE.

Absolute ROTCE		
Performance Level		Vesting Percentage
≥ 17%		150%
5% to < 17%		Based on Relative ROTCE Vesting Percentage
< 5%		0%

4. Calculation of ROTA.

(a) Except as otherwise set forth in Sections 4(c), (d) and (e) of the Terms

and Conditions, vesting of 50% of the Performance Share Units will be based on the following performance results ("ROTA Performance Share Units"): (a) the average relative return on tangible assets ("ROTA") for the Performance Period, which means the Company's ROTA relative to the median ROTA of the Peer Group, and (b) the Company's ROTA for the Performance Period ("Absolute ROTA").

(b) At the end of the Performance Period, the ROTA for the Company, and for each company in the Peer Group, shall be calculated as a three-year average, as follows:

(i) by taking net operating income (computed in accordance with Section 4(b)(iii) below) and dividing by the average tangible assets (computed in accordance with Section 4(b)(iv) below) for each fiscal year in the Performance Period, and

(ii) by calculating a three-year average for the Performance Period based on the annual amounts in Section 4(b)(i) above.

(iii) Net operating income shall be computed by taking net income and adding back the after-tax effect of the amortization of core deposit and other intangible assets, adding back the after-tax effects of expenses (when incurred) associated with merging acquired or to be acquired operations into the Company, and subtracting the after-tax effects of merger-related gains (when realized).

(iv) Average tangible assets shall be computed by taking average assets for the applicable period and subtracting average goodwill and average core deposit and other intangible assets (net of any related average deferred tax amounts).

(v) The Company shall make such adjustments as it deems necessary or appropriate to provide comparable ROTA calculations among the Company and the companies in the Peer Group.

5. Relative ROTA Vesting Percentage.

(a) Subject to Section 6 below, the number of ROTA Performance Share Units that may vest for the Performance Period shall be determined by multiplying 50% of the Target Award by the Relative ROTA Vesting Percentage, as determined under this Section 5.

(b) The Relative ROTA Vesting Percentage will be determined based on the Company's ROTA percentile ranking compared to the ROTA of the companies in the Peer Group for the Performance Period, as follows:

(i) If the Company's ROTA falls at the median of the Peer Group, the Relative ROTA Vesting Percentage will be 100%.

(ii) If the Company's ROTA falls at or above the 75th percentile of the Peer Group, the Relative ROTA Vesting Percentage will be 150%.

(iii) If the Company's ROTA falls at the 25th percentile of the Peer Group, the Relative ROTA Vesting Percentage will be 75%.

(iv) If the Company's ROTA falls below the 25th percentile of the Peer Group, the Relative ROTA Vesting Percentage will be 50%.

(v) If the Company's ROTA rank falls between measuring points, the Relative ROTA Vesting Percentage will be interpolated on a straight line basis.

Relative ROTA		
Performance Level		Relative ROTA Vesting Percentage
≥ 75th Percentile		150%
50th Percentile		100%
25th Percentile		75%
< 25th Percentile		50%

6. Adjustment Based on Absolute ROTA. Notwithstanding Section 5 above, and except as provided in Sections 4(c), (d) and (e) of the Terms and Conditions, there will be no vesting of the ROTA Performance Share Units if the Company's Absolute ROTA is less than 0.35%. If the Company's Absolute ROTA is equal to or greater than 1.25%, vesting of the ROTA Performance Share Units will be determined to be at maximum, for a final vesting percentage of 150%, regardless of the level of achievement of relative ROTA.

Absolute ROTA		
Performance Level		Vesting Percentage
≥ 1.25%		150%
0.35% to < 1.25%		Based on Relative ROTA Vesting Percentage
< 0.35%		0%

7. Peer Group.

(a) The companies in the Peer Group will be determined on the first day of the Performance Period for purposes of the performance calculation and will be changed only in accordance with Section 7(b) below. No company shall be added to the Peer Group during the Performance Period for purposes of the performance calculation.

(b) The term "Peer Group" means the companies listed on Schedule A and

will be subject to change as follows:

(i) In the event of a merger, acquisition or business combination transaction of a company in the Peer Group in which the company in the Peer Group is the surviving entity and remains publicly traded, the surviving entity shall remain a company in the Peer Group. Any entity involved in the transaction that is not the surviving company shall no longer be a company in the Peer Group.

(ii) In the event of a merger, acquisition or business combination transaction of a company in the Peer Group, a “going private” transaction or other event involving a company in the Peer Group, or the liquidation of a company in the Peer Group, in each case where the company in the Peer Group is not the surviving entity or is no longer publicly traded, the company shall no longer be a company in the Peer Group.

(iii) Notwithstanding the foregoing, in the event of a bankruptcy of a company in the Peer Group where the company in the Peer Group is not publicly traded at the end of the Performance Period, such company shall remain a company in the Peer Group but shall be deemed to have an ROTCE and ROTA of negative 100% (-100%).

8. General Vesting Terms. The Committee shall have sole discretion to calculate the achievement of the Performance Goals and to make such adjustments as the Committee deems necessary or appropriate, including any adjustments deemed necessary or appropriate to determine vesting upon a Change in Control consistent with Section 4(e) of the Terms and Conditions. The Committee’s determinations shall be final and binding. Any fractional Performance Share Unit resulting from the vesting of the Performance Share Units in accordance with this Exhibit A shall be rounded down to the nearest whole number. Any portion of the Performance Share Units that does not vest as of the end of the Performance Period shall be forfeited as of the end of the Performance Period.

Schedule A

Peer Group

Group, Inc. (CFG)

ed (CMA)

FITB)

res Incorporated (HBAN)

ces Group, Inc. (PNC)

orporation (RF)

n (ZION)

M&T BANK CORPORATION
2019 EQUITY INCENTIVE COMPENSATION PLAN
TERMS AND CONDITIONS
OF
PERFORMANCE SHARE UNIT AWARD

1. Definitions. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan or on the cover page.

2. Grant of Performance Share Unit Award. The Performance Share Unit Award granted hereby is granted in accordance with the cover page of this Agreement. Vesting of the Performance Share Units will be based on achievement of the performance goals set forth on Exhibit A to the cover page of this Agreement and, except as otherwise provided herein, the Grantee's continued employment from the Date of Grant to the Vesting Date (as defined in Section 4(a) below).

3. Nature of Performance Share Unit Award. Performance Share Units are not actual shares of Common Stock. The Grantee's interest in Performance Share Units shall make the Grantee only a general, unsecured creditor of the Company until the Performance Share Units become vested and settled.

4. Vesting on Certain Terminations of Employment; Change in Control.

(a) Employment Requirement; Forfeiture. Except as provided herein, the Grantee must remain continuously employed by the Company or one of its Affiliates from the Date of Grant and until the last day of the Performance Period (the "Vesting Date") in order to be entitled to receive shares of Common Stock in settlement of the Performance Share Unit Award. Except as provided in Sections 4(b), (c) or (d) below, upon the Grantee's termination of employment with the Company and its Affiliates that constitutes a "separation from service," as defined under Section 409A of the Code ("Termination of Employment") for any reason, including for Cause or as a result of the Grantee's resignation, before the Grantee's Performance Share Units have fully vested, the Grantee will forfeit that portion of the Performance Share Units that have not vested as of the date of the Grantee's Termination of Employment. Except as provided in Sections 4(c), (d) and (e) below, if the Performance Goals are not attained at the end of the Performance Period, as determined by the Committee in its sole discretion, the Performance Share Units will be immediately forfeited.

(b) Qualifying Separation. If the Grantee incurs a Qualifying Separation prior to the Vesting Date, the Grantee will not forfeit the Performance Share Units upon such Qualifying Separation, and the Performance Share Units will continue to vest based on the attainment of the Performance Goals, except as otherwise provided in Section 4(c) (death) and 4(e) (Change in Control) below, and subject to Section 4(f) below. If the Grantee incurs a Termination of Employment on account of Disability or a Position Elimination (as defined in

Section 4(d) below) at a time when the Grantee has met the age and service requirements for a Qualifying Separation, this Section 4(b) shall apply to the Performance Share Units.

(c)Death; Disability. The Performance Share Unit Award shall vest with respect to 100% of the Target Award upon (i) the Grantee's death during employment by the Company or an Affiliate or after a Qualifying Separation as described in Section 4(b) prior to the Vesting Date, or (ii) the Grantee's Termination of Employment on account of Disability prior to the Vesting Date and prior to the date that the Grantee has met the age and service requirements for a Qualifying Separation, subject to Section 4(f) below.

(d)Position Elimination. If prior to the Vesting Date and prior to the date that the Grantee has met the age and service requirements for a Qualifying Separation, the Grantee incurs a Termination of Employment by the Company or an Affiliate on account of a Position Elimination, the Performance Share Unit Award shall vest with respect to a pro-rated portion of the Target Award, subject to Section 4(f) below. The pro-rated portion shall be determined by multiplying the Target Award by a fraction, the number of which is the number of months that elapsed during the period beginning on January 1, 2024 through the date of the Grantee's Termination of Employment, and the denominator of which is 36. A partial month shall be counted as a full month for purposes of this calculation. Any Performance Share Units that do not become vested upon a Termination of Employment in accordance with this Section 4(d) shall be forfeited. For purposes of this Agreement, "Position Elimination" means any permanent, involuntary termination of a Grantee's active employment with the Company or an Affiliate as a result of a job elimination due to a reduction in force, outsourcing or elimination of position, as determined by the Committee in its sole and absolute discretion.

(e)Change in Control. Notwithstanding the foregoing, in the event that a Change in Control occurs before the Vesting Date while the Grantee is employed by the Company or one of its Affiliates or while the Performance Shares Units are outstanding pursuant to Section 4(b), the outstanding Performance Share Units will become vested upon the consummation of the Change in Control in an amount equal to the greater of (i) the Target Award or (ii) the number of Performance Share Units that vest based on achievement of the Performance Goals, measured as if the end of the quarter immediately preceding the date of the Change in Control were the end of the Performance Period, as determined by the Committee as in effect before the Change in Control in its sole discretion. Any Performance Share Units that do not become vested upon a Change in Control in accordance with this Section 4(e) shall be forfeited.

(f)Release of Claims. Any vesting under this Section 4 as a result of a Qualifying Separation or other Termination of Employment (other than death) shall be conditioned on the Grantee signing and not revoking a general release of claims provided by the Company.

5. Settlement.

(a) Subject to the satisfaction of all tax obligations as provided in Section 9 below and except as otherwise provided in this Section 5, the vested Performance Share Units

shall be settled within 90 days following the Vesting Date (the "Settlement Date"). Upon settlement, the Company shall deliver to the Grantee one share of Common Stock for each vested Performance Share Unit.

(b) The vested Performance Share Units shall be settled earlier than the Settlement Date in the following circumstances:

(i) If the Performance Share Units vest upon death in accordance with Section 4(c), the vested Performance Share Units will be settled within 30 days following the date of the Grantee's death.

(ii) If the Performance Share Units vest upon Termination of Employment on account of Disability in accordance with Section 4(c) or upon Termination of Employment by the Company or an Affiliate on account of a Position Elimination in accordance with Section 4(d), the vested Performance Share Units will be settled within 30 days following the date of the Grantee's Termination of Employment.

(iii) If the Performance Share Units constitute a "nonqualified deferred compensation arrangement" subject to Section 409A of the Code and the Performance Share Units vest in accordance with Section 4(e), the vested Performance Share Units shall be settled upon or within 60 days following the date of the Change in Control, provided that the Change in Control constitutes a "change in control event" within the meaning of Section 409A of the Code (a "409A CIC"). If the Performance Share Units constitute a "nonqualified deferred compensation arrangement" subject to Section 409A of the Code and the Performance Share Units vest in accordance with Section 4(e), if the Change in Control does not constitute a 409A CIC, the vested Performance Share Units shall be settled upon the first to occur of (A) the Settlement Date, in accordance with Section 5(a), (B) within 30 days following the Grantee's death, in accordance with Section 5(b)(i) or (C) within 30 days following the Grantee's Termination of Employment on account of Disability or a Position Elimination, in accordance with Section 5(b)(ii).

6.Dividend Equivalents. In connection with the Performance Share Unit Award, any cash dividends paid on the shares of Common Stock underlying the Performance Share Units shall be converted to additional Performance Share Units on the dividend payment date, based on the Fair Market Value of a share of Common Stock on such date ("Dividend Equivalents"). Dividend Equivalents shall accrue with respect to Performance Share Units and shall be payable subject to the same Performance Goals, vesting terms and other conditions as the Performance Share Units to which they relate. Dividend Equivalents shall be credited on the Performance Share Units when dividends are paid on shares of Common Stock from the Date of Grant until the settlement date for the vested Performance Share Units. If and to the extent that the underlying Performance Share Units are forfeited, all related Dividend Equivalents shall also be forfeited. Notwithstanding the foregoing, dividends and distributions other than regular cash dividends, if any, may result in an adjustment pursuant to Section 8, rather than under this Section 6.

7.Rights as a Stockholder. The Grantee acknowledges and agrees that, with respect to the

Performance Share Units, he or she has no voting rights with respect to the Company unless and until such Performance Share Units are settled in Common Stock pursuant to Section 5 above. Upon and following the settlement of a Performance Share Unit, the Grantee shall be the record owner of the Common Stock issued to him or her unless and until such shares are sold or otherwise disposed of, and as record owner shall be entitled to all rights of a stockholder of the Company holding such Common Stock, including, without limitation, voting rights, if any, with respect to such Common Stock. Prior to the date the Performance Share Units are settled in accordance with this Agreement, the Grantee shall not be deemed for any purpose to be the owner of any Common Stock denominated by the Performance Share Unit Award.

8. Capital Adjustments. The number of Performance Share Units is subject to adjustment, in accordance with Section 4.2 of the Plan, on an equitable and proportionate basis in the manner deemed appropriate by the Committee.

9. Taxes. The Grantee expressly acknowledges that: (a) the Grantee's Performance Share Units will constitute wages under the Federal Insurance Contributions Act (FICA) and Federal Unemployment Tax Act (FUTA) that are subject to tax withholding by the Company or its Affiliate upon becoming vested and (b) the Common Stock delivered to a Grantee upon the settlement of his or her Performance Share Units will constitute wages for purposes of federal and all other employment taxes, subject to tax withholding by the Company or its Affiliate. The Company's obligation to issue or deliver shares of Common Stock with respect to the settlement of Performance Share Units shall be subject to the satisfaction of any applicable federal, state, local or foreign tax withholding requirements (including the Grantee's FICA and FUTA obligation). To the extent permitted by law, the Company and its Affiliates shall have the right to deduct any such taxes from any payment otherwise due to the Grantee (or his or her beneficiary). The Committee may establish such procedures as it deems appropriate, including making irrevocable elections, for the settlement of withholding obligations with Common Stock having a Fair Market Value on the date of withholding equal to the minimum amount (and not any greater amount) required to be withheld for tax purposes.

10. Restriction on Issuance of Common Stock. Notwithstanding any other provision of this Agreement, the Grantee agrees, for himself or herself and his or her successors, that Common Stock will not be issued at any time that the Company does not have in effect a registration statement under the Securities Act of 1933, as amended, relating to the offer of Common Stock to the Grantee under the Plan, unless the Company agrees to permit such issuance. The Grantee further agrees, for himself or herself and his or her successors, that, upon the issuance of any Common Stock, he or she will, upon the request of the Company, agree in writing that he or she is acquiring such shares for investment only and not with a view to resale, and that he or she will not sell, pledge or otherwise dispose of such shares so issued unless and until (a) the Company is furnished with an opinion of counsel to the effect that registration of such shares pursuant to the Securities Act of 1933, as amended, is not required by that Act and the rules and regulations thereunder; (b) the staff of the Securities and Exchange Commission has issued a "no-action" letter with respect to such disposition; or (c) such registration or notification as is, in the opinion of counsel for the Company, required for the lawful disposition of such shares has been filed by the Company and has become effective; provided,

however, that the Company is not obligated hereby to file any such registration or notification. The Grantee further agrees that the Company may place a legend embodying such restriction on the certificates evidencing such shares.

11. Non-Solicitation. In consideration for the Grantee's employment with the Company or with any of its affiliates and/or subsidiaries, the award of these Performance Share Units to the Grantee, and other good and valuable consideration (the sufficiency of which is acknowledged), the Grantee agrees that for a period of six months immediately following termination of the Grantee's employment for any reason, the Grantee will not directly or indirectly (a) solicit an employee to leave the employment of the Company or any of its affiliates and/or subsidiaries; or (b) directly or indirectly solicit business from any clients, customers or prospective customers of the Company or any of its affiliates and/or subsidiaries whose identity became known to the Grantee during his or her employment with the Company or any of its affiliates and/or subsidiaries. This six-month limitation is not intended to impair the rights of the Company and/or any of its affiliates or subsidiaries to prevent misappropriation of its confidential information beyond the six-month period. The Committee shall have discretion to determine that all Performance Share Units, whether or not vested, shall be forfeited in the event of the Grantee's breach of this Section 11. This Paragraph 11 does not apply to employees employed in California, Colorado, or North Dakota including employees working remotely from those states.

12. Employment. Neither the Performance Share Unit Award evidenced by this Agreement nor any term or provision of this Agreement shall constitute or be evidence of any understanding, express or implied, on the part of the Company or any of its Affiliates to employ the Grantee for any period. Whenever reference is made in this Agreement to the employment of the Grantee, it means employment by the Company or an Affiliate.

13. Beneficiary. The Committee may permit the Grantee to file with the Company a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. In the absence of any such designation or if all designated beneficiaries predecease the Grantee, the Grantee's estate shall be deemed to be the Grantee's beneficiary.

14. Subject to the Plan. The Performance Share Unit Award evidenced by this Agreement is subject to the terms and conditions of the Plan, which are incorporated herein by reference and made a part hereof, but the terms of the Plan shall not be considered an enlargement of any benefits under this Agreement. In addition, the Performance Share Unit Award is subject to any rules and regulations promulgated by the Committee. The Grantee's receipt of the Performance Share Unit Award constitutes the Grantee's acknowledgment that all decisions and determinations of the Committee with respect to the Plan and this Agreement shall be final and binding on the Grantee and any other person claiming an interest in the Performance Share Unit Award.

15. Section 409A. The Performance Share Unit Award is intended to comply with the applicable requirements of Section 409A of the Code and shall be administered in accordance with Section 409A of the Code. Notwithstanding anything in this Agreement to the contrary,

if the Performance Share Units or the Dividend Equivalents constitute “deferred compensation” under Section 409A of the Code and the Performance Share Units become vested and settled upon the Grantee’s Termination of Employment, payment with respect to the Performance Share Units shall be delayed for a period of six months after the Grantee’s Termination of Employment if the Grantee is a “specified employee” as defined under Section 409A of the Code (as determined by the Committee) and if required pursuant to Section 409A of the Code. If payment is delayed, the shares of Common Stock and Dividend Equivalents shall be distributed within 30 days following the date that is the six-month anniversary of the Grantee’s Termination of Employment (or death, if earlier). Notwithstanding any provision to the contrary herein, payments made with respect to this Performance Share Unit Award may only be made in a manner and upon an event permitted by Section 409A of the Code. To the extent that any provision of this Agreement would cause a conflict with the requirements of Section 409A of the Code, or would cause the administration of this Performance Share Unit Award to fail to satisfy the requirements of Section 409A of the Code, such provision shall be deemed null and void to the extent permitted by applicable law. In no event shall a Grantee, directly or indirectly, designate the calendar year of payment. Any payment that is to be made within a specified time period under this Agreement may be made at such other date as may be permitted by Section 409A with respect to such payment.

16. Company Policies. All amounts payable under this Agreement shall be subject to any applicable clawback or recoupment policies, share trading policies and other policies that may be implemented by the Company’s Board of Directors from time to time, including the Forfeiture Policies.

17. Stock Certificates. The Grantee hereby (a) acknowledges that the Common Stock issued with respect to a vested Performance Share Unit upon its settlement may be held in book entry form on the books of Registrar and Transfer Company (or another institution specified by the Company), and (b) agrees to sign such other powers and take such other actions as the Company may reasonably request to accomplish the transfer.

18. Nontransferability. Performance Share Units may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated by the Grantee other than by will or by the laws of descent and distribution. This Agreement shall bind and inure to the benefit of successors and assignees of the Company.

19. Governing Law. The validity, construction, interpretation and enforceability of this Agreement shall be determined and governed by the laws of the State of New York without giving effect to the principles of conflicts of laws.

20. Headings. The headings of the sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-274646) and Form S-8 (Nos.33-32044, 333-43175, 333-16077, 333-40640, 333-84384, 333-127406, 333-150122, 333-164015, 333-163992, 333-160769, 333-159795, 333-170740, 333-189099, 333-184504, 333-189097, 333-184411, 333-231217, 333-254786, 333-264099, 333-254962, 333-264392 and 333-271322) of M&T Bank Corporation of our report dated February 21, 2024 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Buffalo, New York
February 21, 2024

CERTIFICATIONS

I, René F. Jones certify that:

1. I have reviewed this annual report on Form 10-K of M&T Bank Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2024

By /s/ René F. Jones
René F. Jones
*Chairman of the Board
and Chief Executive Officer*

CERTIFICATIONS

I, Daryl N. Bible, certify that:

1. I have reviewed this annual report on Form 10-K of M&T Bank Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2024

By: /s/ Daryl N. Bible
Daryl N. Bible
*Senior Executive Vice President
and Chief Financial Officer*

CERTIFICATION OF CHIEF EXECUTIVE OFFICER UNDER 18 U.S.C. §1350

I, René F. Jones, Chairman of the Board and Chief Executive Officer of M&T Bank Corporation, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Annual Report on Form 10-K of M&T Bank Corporation for the annual period ended December 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of M&T Bank Corporation.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. §1350 and is not being filed as part of the Report or as a separate disclosure document.

/s/ René F. Jones
René F. Jones

February 21, 2024

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to M&T Bank Corporation and will be retained by M&T Bank Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION OF CHIEF FINANCIAL OFFICER UNDER 18 U.S.C. §1350

I, Daryl N. Bible, Senior Executive Vice President and Chief Financial Officer of M&T Bank Corporation, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Annual Report on Form 10-K of M&T Bank Corporation for the annual period ended December 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of M&T Bank Corporation.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. §1350 and is not being filed as part of the Report or as a separate disclosure document.

/s/ Daryl N. Bible

Daryl N. Bible

February 21, 2024

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to M&T Bank Corporation and will be retained by M&T Bank Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

M&T BANK CORPORATION EXECUTIVE COMPENSATION RECOUPMENT POLICY

Effective Adoption Date: October 2, 2023

Section 1.Purpose.

M&T Bank Corporation (the “**Company**”) has adopted this Compensation Recoupment Policy (this “**Policy**”) to implement a mandatory clawback policy in the event of a Restatement in compliance with the applicable rules of the New York Stock Exchange (the “**NYSE**”).

Any capitalized terms used, but not immediately defined, in this Policy have the meanings set forth in Section 14.

Section 2.Administration.

This Policy shall be administered in the sole discretion of the Committee. The Committee shall have the discretion to interpret this Policy and make all determinations with respect to this Policy, consistent with applicable law and this Policy. Notwithstanding the foregoing, subject to the Applicable Rules, the Board may assume any or all powers and authority of the Committee with respect to this Policy, in which case references to the Committee shall be deemed to include the Board, as applicable.

Without limiting the foregoing, this Policy shall be interpreted in a manner that is consistent with the requirements of the Applicable Rules, and compliance with this Policy shall not be waived by the Committee, the Board or the Company in any respect. Any interpretations and determinations made by the Committee shall be final and binding on all affected individuals.

Section 3.Effective Date.

This Policy is effective as of October 2, 2023 (the “**Effective Date**”) and applies to Incentive-Based Compensation that is Received by any Executive Officer on or after the Effective Date as described in Section 7 below.

Section 4.Amendment.

The Committee may amend this Policy from time to time in its discretion, subject to any limitations under applicable law or listing standards, including the Applicable Rules, and shall report such amendments to the Board. Without limiting the foregoing, the Committee may amend this Policy as it deems necessary to reflect any amendment of the Applicable Rules or regulations or guidance issued under the Applicable Rules.

Section 5.No Substitution of Rights; Non-Exhaustive Rights.

Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights that may be available to the Company pursuant to (a) the M&T Bank Corporation 2019 Equity Incentive Compensation Plan, as amended and restated from time to time, or any successor plan thereto, the Company's annual bonus plan, or any other incentive plan of the Company or any of its subsidiaries, (b) the terms of any recoupment or forfeiture policy as in effect from time to time, whether or not adopted by the Company before or after the Effective Date, or any provision

in any employment agreement, compensation agreement or arrangement, or other agreement, or (c) any other legal remedies available to the Company under applicable law.

In addition to recovery of compensation as provided for in this Policy, the Company may take any and all other actions as it deems necessary, appropriate and in the Company's best interest in connection with the Committee determining that this Policy should apply, including termination of the employment of, or initiating legal action against, an Executive Officer, and nothing in this Policy limits the Company's rights to take any such appropriate actions.

Section 6. Recovery on a Restatement.

In the event that the Company is required to prepare a Restatement, the Company shall reasonably promptly recover from an Executive Officer the amount of any erroneously awarded Incentive-Based Compensation that is Received by such Executive Officer during the Recovery Period. The amount of erroneously Received Incentive-Based Compensation will be the excess of the Incentive-Based Compensation Received by the Executive Officer (whether in cash or shares) based on the erroneous data in the original financial statements over the Incentive-Based Compensation (whether in cash or in shares) that would have been Received by the Executive Officer had such Incentive-Based Compensation been based on the restated results, without respect to any tax liabilities incurred or paid by the Executive Officer.

Recovery of any erroneously awarded compensation under this Policy is not dependent on fraud or misconduct by any Executive Officer in connection with a Restatement.

Without limiting the foregoing, for Incentive-Based Compensation based on the Company's stock price or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in the Restatement, (a) the amount shall be based on the Company's reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received and (b) the Company shall maintain documentation of the determination of that reasonable estimate and provide such estimate to the NYSE as required by the Applicable Rules.

In addition to the foregoing, in the event that an Executive Officer fails to repay or reimburse erroneously awarded compensation that is subject to recovery, the Committee may require an Executive Officer to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering erroneously awarded compensation under this Policy.

Section 7. Covered Executive Officers and Covered Incentive-Based Compensation.

This Policy covers all persons who are Executive Officers at any time during the Recovery Period for which Incentive-Based Compensation is Received. Incentive-Based Compensation shall not be recovered under this Policy to the extent Received by any person before the date the person served as an Executive Officer. Subsequent changes in an Executive Officer's employment status, including retirement or termination of employment, do not affect the Company's right to recover Incentive-Based Compensation pursuant to this Policy.

This Policy shall apply to Incentive-Based Compensation that is Received by any Executive Officer on or after the Effective Date and that results from attainment of a Financial Reporting

Measure based on or derived from financial information for any fiscal period ending on or after the Effective Date. For the avoidance of doubt, this will include Incentive-Based Compensation that may have been approved, awarded, or granted to an Executive Officer on or before the Effective Date if such Incentive-Based Compensation is Received after the Effective Date.

Section 8. Methods of Recovery; Limited Exceptions.

The Committee shall determine, in its sole discretion, the method of recovering any Incentive-Based Compensation subject to this Policy, including those methods set forth in Section 10.

No recovery shall be required if any of the following conditions are met and the Committee determines that, on such basis, recovery would be impracticable:

(a) the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered; *provided* that prior to making a determination that it would be impracticable to recover any Incentive-Based Compensation based on the expense of enforcement, the Company shall (i) have made a reasonable attempt to recover the Incentive-Based Compensation, (ii) have documented such reasonable attempts to recover, and (iii) provide the documentation to the NYSE;

(b) recovery would violate home country law where that law was adopted prior to November 28, 2022; *provided* that, prior to making a determination that it would be impracticable to recover any Incentive-Based Compensation based on a violation of home country law, the Company shall (i) have obtained an opinion of home country counsel, acceptable to the NYSE, that recovery would result in such violation, and (ii) provide a copy of such opinion to the NYSE; or

(c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and U.S. Treasury regulations promulgated thereunder.

Section 9. Reporting; Disclosure; Monitoring.

The Company shall make all required disclosures and filings with the Securities and Exchange Commission (the “**SEC**”) and the NYSE with respect to this Policy in accordance with the requirements of the Applicable Rules, and any other requirements applicable to the Company, including the disclosures required in connection with SEC filings.

Section 10. Methods of Recovery.

Subject to Section 8, in the event that the Committee determines that this Policy should apply, to the extent permitted by applicable law, the Company shall, as determined by the Committee in its sole discretion, take any such actions as it deems necessary or appropriate to recover Incentive-Based Compensation. The actions may include, without limitation (and as applicable):

(a) forfeit, reduce or cancel any Incentive-Based Compensation (whether vested or unvested) that has not been distributed or otherwise settled;

- (b) seek recovery of any Incentive-Based Compensation that was previously paid to the Executive Officer;
- (c) seek recovery of any amounts realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based Incentive-Based Compensation;
- (d) recoup any amount in respect of Incentive-Based Compensation that was contributed or deferred to a plan that takes into account Incentive-Based Compensation (excluding certain tax-qualified plans, but including deferred compensation plans, and supplemental executive retirement plans, and insurance plans to the extent otherwise permitted by applicable law, including Section 409A of the Code) and any earnings accrued on such Incentive-Based Compensation;
- (e) offset, withhold, eliminate or cause to be forfeited any amount that could be paid or awarded to the Executive Officer after the date of determination; and
- (f) take any other remedial and recovery action permitted by law, as determined by the Committee.

In addition, the Committee may authorize legal action for breach of fiduciary duty or other violation of law and take such other actions to enforce the obligations of the Executive Officer to the Company as the Committee deems appropriate.

Section 11.Notice.

Before the Company determines to recover compensation pursuant to this Policy from an Executive Officer, the Company shall take commercially reasonable steps to provide such individual with advance written notice of such clawback; *provided* that this notice requirement shall not in any way delay the reasonably prompt recovery of any erroneously awarded Incentive-Based Compensation.

Section 12.No Indemnification.

The Company shall not indemnify any current or former Executive Officer against the loss of erroneously awarded compensation, and shall not pay or reimburse any such person for premiums incurred or paid for any insurance policy to fund such person's potential recovery obligations.

Section 13.Governing Law.

This Policy and all determinations made and actions taken pursuant hereto, to the extent not otherwise governed by mandatory provisions of the Applicable Rules, shall be governed by and construed in accordance with the laws of the State of New York without regard to choice of law principles. If any provision of this Policy shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of this Policy, but this Policy shall be construed and enforced as if the illegal or invalid provision had never been included in this Policy.

Section 14. Defined Terms.

The following capitalized terms used in this Policy have the following meanings:

- (a) “**Applicable Rules**” means Section 10D of the Exchange Act and Rule 10D-1 promulgated thereunder and Section 303A.14 of the Listed Company Manual of the New York Stock Exchange.
- (b) “**Board**” means the Board of Directors of the Company.
- (c) “**Committee**” means the Compensation and Human Capital Committee of the Board, or any successor committee thereto performing the duties of a compensation committee under Section 303A.05 of the Listed Company Manual of the New York Stock Exchange, or, in the absence of such committee, a majority of independent directors serving on the Board.
- (d) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended.
- (e) “**Executive Officer**” means each officer of the Company who is the Company’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice president of the Company in charge of a principal business unit, division or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar significant policy-making functions for the Company.
- (f) “**Financial Reporting Measures**” means (i) measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures, (ii) the Company’s stock price, and (iii) total shareholder return in respect of the Company. A “Financial Reporting Measure” need not be presented within the financial statements or included in a filing with the SEC.
- (g) “**Incentive-Based Compensation**” means any compensation that is granted, earned, or vested, based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive-Based Compensation does not include, among other forms of compensation, equity awards that vest exclusively upon completion of a specified employment period, without any performance condition, and bonus awards that are based on goals unrelated to Financial Reporting Measures.
- (h) “**Received**” – Incentive-Based Compensation is deemed “Received” for the purposes of this Policy in the Company’s fiscal period during which the Financial Reporting Measure applicable to the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.
- (i) “**Recovery Period**” means the three completed fiscal years immediately preceding the date on which the Company is required to prepare a Restatement, which date is the earlier of (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement or (ii) a date that a court, regulator or other legally authorized body directs the Company to prepare a Restatement.

(j) “**Restatement**” means that the Company is required to prepare an accounting restatement due to a material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements (i) that is material to the previously issued financial statements, or (ii) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

