

M&T Bank CEO René Jones' Annual Message: We Are A "Bank for Communities" and Our Role Must Be "Bigger, Deeper and More Purposeful"

M&T's "Economic First Responders" Helped Pandemic-Stricken Communities, Businesses

BUFFALO, N.Y., March 25, 2021 -- M&T Bank Chairman and CEO René Jones said in his annual Message to Shareholders that "it has never been more evident that our role to bring all communities and constituents along together must be bigger, deeper and more purposeful," citing "the dispiriting combination of pandemic death, economic destruction, social and civic unrest [that] has tested and tried our company, communities and country in the year past."

M&T's communities struggled to cope with the pandemic, said Jones in his letter. Approximately 4.4 million cases have been detected within the bank's footprint leading to 111,000 deaths—along with a wave of unemployment, business closures and small business failures. "The Buffalo metro area lost 37,000 private sector jobs between March 2020 and the end of the calendar year—plummeting to a multi-decade low. The number of small businesses in operation fell by 27 percent, with the leisure and hospitality sector, in which metro Buffalo ranks fifth in the nation, particularly hard-hit. Baltimore's travel and leisure sector lost 23,000 jobs."

Jones emphasized, however, that "the economic tsunami that flooded our communities had a disparate impact on those who were already struggling. Diverse and low-to-moderate income communities have experienced more pronounced impacts: more COVID-19 cases, less access to reliable education and childcare and higher job losses. Indeed, low wage workers have suffered disproportionately and are six times less likely to be able to work from home than high income individuals. Nearly 87 percent of the eight million minority-owned small businesses and nearly 95 percent of the 2.6 million Black-owned small businesses are sole proprietorships or partnerships with no employees... [which] have been hardest hit by the pandemic."

Jones said his M&T colleagues "responded with alacrity—serving our role as economic first responders by deploying \$7.0 billion in emergency Paycheck Protection Program funding into 35,000 local businesses, and, through them, protecting more than 765,000 jobs. We recognized that the needs of our customers were grave—thus, our response must be equally significant. Our passionate employees, motivated by the mission of making a difference for our customers, processed during a three-week period 18 times the U.S. Small Business Administration ("SBA") loan volume that we would normally process in a full year. Our SBA lending team rapidly scaled up by over 100 times... to develop and implement a loan application portal within 72 hours that complied with hastily promulgated and rapidly evolving PPP rules... [then] hand-held customers on their journey to ensure frictionless application, approval and funding."

Explaining his colleagues' heroic response to the crisis, Jones pointed to M&T's corporate culture, which he said "includes a deeply internalized sense of purpose to serve our communities. We think of ourselves not as a community bank, but as a bank for communities—and we strive that our stakeholders experience the difference."

Jones pointed out that "a new conversation is beginning to emerge around the role of the corporation and indeed their leadership—evolving to encompass a whole ecosystem of constituents predicated on the idea that the role of a corporation is broader and encompasses a higher societal purpose," but he said that "the idea that no firm can survive and thrive at the expense of large, social values is not new to us [at M&T.]" He said that M&T embraces new "ESG" or environmental, social and governance standards for corporate conduct, while cautioning that "these standards are not about merely checking a box. New measurement is not a substitute for leadership."

In discussing the importance of corporate leadership, Jones went on to say that economic and social events of the past year—including notorious incidents of police brutality—have "laid bare the leadership vacuum that is present," and "force us to reflect on whether we have done enough to further social justice in cities we serve." One of only four Black CEOs in the Fortune 500, Jones asserted that "we must be united against injustice of any kind that affects any of our constituents," and that "we must, and will, do more to make our society better and empower our communities." Within M&T, he said "we are proud of, but not content with the progress we have made. We have expanded the diversity of our Board of Directors and senior leadership team while embarking on programs that will enable us to be the bank of choice for diverse customers in every community we serve and ensure our colleagues truly feel they belong and can be their authentic selves at work."

Jones also observed that, with regard to the issuance of bank charters, history may be repeating itself. Recalling the high rate of newly chartered banks that failed during the S&L Crisis of the 1980s and 90s, he said "the modern crop of new fintech entrants, running on the rails of the banking system, present unique opportunities and challenges for policy makers and banks alike." He said fintechs can bring much-needed innovation and emerging technologies that may provide a deeper provisioning of credit to a wider group of customers, but cautioned that, "as past environments have shown time and again, when companies with immature risk management practices chase 'easy' returns while dodging regulatory supervision, it almost certainly is fated to end poorly—a point we once made in our 1993 Message to Shareholders. We must learn from the past—from both our own mistakes and those thrust on us by others—while we foster a safer, more sound and secure industry."

The banking environment of 2020 presented a confluence of challenges that the industry has not experienced for over 60 years, said Jones, yet "in a year when others chose to slow investment, we soldiered forward," because M&T Bank is both "a safeguard of value [and] a foundation for growth." He added that he sees M&T as "a forum to bring people together for the betterment of the places we live. In other words, M&T is a hub at the center of our communities."

To ensure that M&T could continue that role—both during and after the ongoing pandemic-related lockdowns—M&T advanced on its \$37 million Tech Hub in downtown Buffalo, which will be unveiled—if not yet fully populated—in the first half of 2021. "Our new campus—located in a revitalized local landmark and co-located with housing, common areas, restaurants and bars—will become the centerpiece of our downtown corridor and will build, support and nurture the type of ecosystem that draws investment, talent and Creative Class visionaries and disruptors—not only to M&T but to the Western New York community. As the ecosystem grows, interactions among Creative Class talent—we call them 'creative collisions'—will increase as ideas are shared, problems are identified, and solutions are created."

Even before completing the Tech Hub, M&T has worked to start growing the tech talent pool, launching with numerous public- and private-sector partners the Western New York Tech Skills Initiative, which is now offering free virtual training in high-demand tech skills to 3,000 individuals, and the Z Development Program (ZDP) Mainframe Apprenticeship, which will expand opportunities in technical positions for candidates from non-traditional backgrounds and underserved communities.

"These investments are a few of many in our communities," explained Jones, "and are based on the fundamental belief that our efforts to stimulate growth for all constituents is the real driver of our performance... built on the fundamental belief that every city, every neighborhood can offer opportunity. It is our responsibility—perhaps our burden—to constantly self-reflect to ensure we maintain the health and strength of our franchise for the benefit of our constituents."

About M&T Bank Corporation

M&T Bank Corporation is a financial holding company headquartered in Buffalo, New York. M&T's principal banking subsidiary, M&T Bank, operates banking offices in New York, Maryland, New Jersey, Pennsylvania, Delaware, Connecticut, Virginia, West Virginia and the District of Columbia. Trust-related services are provided by M&T's Wilmington Trust-affiliated companies and by M&T Bank.

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