



PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF MANUFACTURERS AND TRADERS TRUST COMPANY

AS OF MARCH 31, 2023

New York State Department of Financial Services
Consumer Protection and Financial Enforcement Division
One State Street, New York NY 10004

Note: This Evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Department of Financial Services concerning the safety and soundness of this financial institution.

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I. - GENERAL INFORMATION

This document is an evaluation (the “Evaluation”) of the Community Reinvestment Act (“CRA”) performance of Manufacturers and Traders Trust Company (“M&T” or the “Bank”) prepared by the New York State Department of Financial Services (“DFS” or the “Department”). This Evaluation represents the Department’s current assessment and rating of the Bank’s CRA performance based on an evaluation conducted as of March 31, 2023.

Section 28-b of the New York Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Financial Services shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low- and moderate-income (“LMI”) areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Superintendent (“GRS”) implements Section 28-b and further requires that the Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate institutions’ performance. Section 76.5 further provides that the Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) Outstanding record of meeting community credit needs;
- (2) Satisfactory record of meeting community credit needs;
- (3) Needs to improve in meeting community credit needs; and
- (4) Substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the Evaluation be made available to the public. Evaluations of banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York Banking Law.

For an explanation of technical terms used in this report, please consult the **GLOSSARY** at the end of this Evaluation.

II. - OVERVIEW OF INSTITUTION’S PERFORMANCE

The Department evaluated M&T according to the large banking institutions performance criteria pursuant to Sections 76.7, 76.8, 76.9 and 76.10 of the GRS. The evaluation period included calendar years 2018, 2019, 2020 and 2021 for lending activities and the period from October 1, 2018 to March 31, 2023 for the community development activities. The Department assigned M&T a rating of “1” indicating an “**Outstanding**” record of helping to meet community credit needs.

This rating is based on the following factors:

A. Lending Test: Outstanding

M&T’s small business and HMDA-reportable lending activities were excellent considering the Bank’s size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of its assessment area.

1. Lending Activity: Outstanding

M&T’s lending levels were excellent considering its size, business strategy and financial condition, as well as the activity of its peer group and the demographic characteristics of its assessment area.

The Bank’s quarterly average loan-to-deposit (“LTD”) ratio of 86.1% was well above its peer group’s average ratio of 64.2%. The Bank’s LTD ratios exceeded its peer group’s ratios for each of the 16 quarters of the evaluation period.

2. Assessment Area Concentration: Outstanding

During the evaluation period, M&T originated 98.1% by number and 98.2% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating an excellent concentration of lending.

3. Geographic Distribution of Loans: High Satisfactory

M&T’s origination of loans in census tracts of varying income levels demonstrated a good distribution of lending.

M&T’s HMDA-reportable and small business average lending rates in LMI geographies by number and by dollar value of loans were comparable to the aggregate’s rates of lending.

4. Distribution by Borrower Characteristics: Outstanding

M&T’s HMDA-reportable and small business lending demonstrated an excellent distribution of loans among individuals of different income levels and businesses of different revenue sizes.

M&T's one-to-four family HMDA-reportable lending rates to LMI borrowers exceeded the aggregate's lending rates both by number and by dollar value of loans. M&T's small business lending to businesses with revenues of \$1 million or less also exceeded the aggregate's rates both by number and by dollar value of loans.

5. Community Development Lending: Outstanding

During the evaluation period, M&T originated \$3.5 billion in new community development loans and had \$225.7 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

M&T made community development loans that qualified for each of the four community development purposes (affordable housing, economic development, community services and revitalization and stabilization), while focusing on the specific needs of the various regions in the Bank's assessment area. M&T made small-dollar loans to community- and neighborhood-based nonprofit organizations and multimillion dollar loans to support significant regional developments.

B. Investment Test: High Satisfactory

1. Qualified Investments

During the evaluation period, M&T made \$520.8 million in new qualified investments and had \$144.1 million outstanding from prior evaluation periods. In addition, M&T made \$27.3 million in qualified grants. This demonstrated a significant level of qualified investments and grants over the course of the evaluation period.

M&T's level of total investments and grants largely decreased from the prior evaluation mainly due to the adverse economic effects of the COVID-19 pandemic, which resulted in delays and interruptions in various community investment projects. Nevertheless, M&T's qualified investments primarily supported affordable housing activities, including mortgage-backed securities.

2. Innovativeness of Qualified Investments:

During the evaluation period, M&T made significant use of innovative investments to support community development. The Bank made investments in Low-Income Housing Tax Credits ("LIHTC"), New Markets Capital Credits ("NMTC") and Small Business Investment Companies ("SBICs"), as well as a \$1.5 million grant to set up a partnership fund to provide funding to local and minority- and women-owned businesses that could not receive funding during the pandemic.

3. Responsiveness of Qualified Investments to Credit and Community Development Needs:

M&T's qualified investments exhibited good responsiveness to the assessment area's credit and community development needs. M&T's qualified investments included LIHTCs, SBICs, mortgage-backed securities, and deposits with Community Development Financial Institutions ("CDFIs") and Community Development Credit Unions ("CDCUs"). In addition, the Bank made

more than 1,700 grants to various nonprofit and community organizations supporting community development.

C. Service Test: Outstanding

1. Retail Banking Services: Outstanding

M&T has an excellent branch network, delivery systems, branch hours and services, and alternative delivery systems, including as it relates to LMI individuals.

As of the evaluation date, M&T operated 270 full-service and five limited-service branch offices in New York State. The Bank's opening and closing of branches have not adversely affected the accessibility of its delivery systems in LMI geographies and/or to LMI individuals. The Bank's delivery systems are readily accessible to significant portions of the Bank's assessment area including LMI geographies and individuals.

2. Community Development Services: Outstanding

M&T was a leader in providing community development services.

During the evaluation period, members of board of directors, senior management, and employees of M&T participated in more than 3,000 instances of qualified community development services by providing financial and technical expertise as members of the boards and/or committees of various community organizations and employees providing technical and financial expertise by participating in seminars that included topics such as applying for a mortgage, financial literacy, and small business financing.

This evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York Banking Law and GRS Part 76.

III. - PERFORMANCE CONTEXT

A. Institution Profile

Established in 1856 and chartered by New York State in 1892, M&T is a multistate commercial bank headquartered in Buffalo, New York. M&T is wholly owned by M&T Bank Corporation, a bank holding and publicly traded company.

M&T has a banking presence in the District of Columbia and in the following 12 states: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Vermont, Virginia, and West Virginia. In April 2022, M&T acquired People’s United Bank (“PUB”) which expanded M&T’s presence in New York City and Long Island and in the Northeast and Mid-Atlantic regions.

As of the evaluation date, M&T operated 270 full-service (including two in-store locations and six business banking centers) and five limited-service branch offices in New York State. Supplementing M&T’s branch offices is an automated teller machine (“ATM”) network of 618 ATMs, of which 402 are located at M&T branch offices and 216 ATMs of which are off-site providing bank customers additional banking accessibility across New York State.

Loans and investments made through M&T Realty Capital Corporation, M&T Bank Affordable Housing Fund III, LLLP, M&T Affordable Housing Fund SCG II LP, NMTC Fund TCC Dunkirk, LLC, and other subsidiaries of M&T were also evaluated and included if they supported a qualified community development purpose and were made during the evaluation period.

M&T and its subsidiaries offer a wide range of retail and commercial banking, wealth management and insurance services. Consumer products include, but are not limited to, traditional checking, savings and certificates of deposits, digital banking, personal credit cards, mortgage and personal loans, and investments and insurance. Commercial banking services include business checking, business credit cards, merchant services, and commercial lending, including commercial real estate, commercial financing, business lines of credit, and small business lending, including U.S. Small Business Administration (“SBA”) loan programs.

During the evaluation period, M&T created the Community Banking Division and pulling together the following functions under one reporting structure: Community Bank Strategy & Execution, Government Relations, Community Reinvestment, Charitable, Environmental Finance and Community Finance.¹ The new structure aimed at fostering efficient communication and collaboration between different regional leadership and community-based strategies to address the unique needs of each region. Under this structure, M&T created a team whose sole focus is to drive lending and investment activities in LMI communities, to LMI individuals, small businesses, and affordable housing.

In its Consolidated Report of Condition (the “Call Report”) as of March 31, 2023, filed with the Federal Deposit Insurance Corporation (“FDIC”), M&T reported total assets of \$202.4 billion of

¹ M&T created Environmental and Community Finance to strengthen the Bank’s LIHTC, NMTC and CDFI’s lending and investment activities.

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which \$130.5 billion were net loans and lease financing receivables. It also reported total deposits of \$161.6 billion resulting in an LTD ratio of 80.8%. According to the latest available comparative deposit data as of June 30, 2022, M&T obtained a market share of 2.8% or \$73.8 billion in a market of \$2.6 trillion, ranking it 9th among 179 deposit-taking institutions in the New York State assessment area.

Deposit distributions by Metropolitan Statistical Area (“MSA”) and Metropolitan District (“MD”) slightly changed from previous evaluation period; MSA 35004 Nassau and Suffolk deposit market share made the top five this period, from previous 2.3% to current 7.6%; primarily due to M&T’s acquisition of PUB’s branches in MSA 35004. The top five deposit generating MSAs and MDs based on their respective share of deposits in New York State as of June 30, 2022 were as follows:

- MSA 15380 (Buffalo-Cheektowaga, NY) – 55.2%,
- MSA/MD 35614 (New York-New Jersey City-White Plains, NY-NJ) - 12.2%,
- MD 35004 (Nassau and Suffolk, NY) – 7.6%
- MSA 40380 (Rochester, NY) – 6.7%, and
- MSA 45060 (Syracuse, NY) – 5.6%.

The table below shows M&T’s deposit market share and ranking by county, MSA or MD in New York State. M&T ranked first in deposit market share among all FDIC-insured institutions in four MSAs in Upstate New York and it ranked 20th among 117 institutions in the downstate MSA/MD 35614 (New York, Jersey City, White Plains, NY-NJ).

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Deposit Market Share as of June 30, 2022					
County/MSA or MD	Deposits (\$000)	% of M&T's AA* Deposits	Market Share	Market Ranking	Number of Institutions
Erie	40,006,386	54.2%	65.8%	1	18
Niagara	745,911	1.0%	20.9%	2	8
MSA 15380 (Buffalo-Cheektowaga, NY)	40,752,297	55.2%	63.3%	1	18
New York	3,779,339	5.1%	0.2%	26	88
Rockland	2,423,540	3.3%	16.2%	2	14
Westchester	1,752,299	2.4%	0.7%	11	32
Putnam	248,579	0.3%	9.3%	5	9
Queens	405,750	0.6%	0.5%	27	53
Richmond	183,271	0.2%	1.0%	12	15
Kings	210,996	0.3%	0.3%	24	39
Bronx	20,901	0.0%	0.1%	23	24
MSA/MD 35614 (New York-Jersey City-White Plains, NY-NJ)	9,024,675	12.2%	0.4%	20	117
Monroe	4,731,469	6.4%	24.8%	1	15
Ontario	99,543	0.1%	2.8%	8	10
Wayne	0	0.0%	0.0%	N/A	7
Livingston	41,928	0.1%	3.7%	5	6
Orleans	36,527	0.0%	7.1%	5	5
MSA 40380 (Rochester, NY)	4,909,467	6.7%	19.0%	1	18
Onondaga	4,055,667	5.5%	30.9%	1	15
Madison	75,427	0.1%	6.4%	4	6
MSA 45060 (Syracuse, NY)	4,131,094	5.6%	25.6%	1	15
Albany	2,030,582	2.8%	9.3%	3	21
Rensselaer	212,000	0.3%	7.8%	5	11
Saratoga	63,599	0.1%	1.0%	15	17
Schenectady	54,543	0.1%	1.4%	10	13
MSA 10580 (Albany-Scenectady-Troy, NY)	2,360,724	3.2%	6.6%	5	24
Dutchess	1,046,892	1.4%	11.2%	3	15
Orange	712,952	1.0%	6.6%	7	23
MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY)	1,759,844	2.4%	17.8%	4	27
Broome	2,123,967	2.9%	57.1%	1	9
Tioga	52,007	0.1%	9.3%	3	5
MSA 13780 (Binghamton, NY)	2,175,974	2.9%	50.9%	1	9
Suffolk	4,852,159	6.6%	6.7%	7	22
Nassau	784,014	1.1%	0.6%	19	32
MD 35004 (Nassau County-Suffolk County, NY)	5,636,173	7.6%	2.8%	10	35
Oneida	668,471	0.9%	14.0%	3	9
Herkimer	248,922	0.3%	30.6%	2	7
MSA 46540 (Utica-Rome, NY)	917,393	1.2%	16.4%	2	9
Ulster	493,083	0.7%	11.6%	3	19
MSA 28740 (Kingston, NY)	493,083	0.7%	11.6%	3	19
Tompkins	283,893	0.4%	10.3%	2	10
MSA 27060 (Ithaca, NY)	283,893	0.4%	10.3%	2	10
Chemung	32,501	0.0%	2.3%	4	6
MSA 21300 (Elmira, NY)	32,501	0.0%	2.3%	4	6
Chautauqua	430,612	0.6%	20.2%	2	8
Genesee	226,303	0.3%	19.4%	2	7
Wyoming	180,330	0.2%	8.2%	3	5
Sullivan	99,932	0.1%	5.5%	6	9
Cayuga	115,080	0.2%	7.3%	6	11
Steuben	67,462	0.1%	5.0%	5	6
Cattaraugus	75,011	0.1%	5.0%	4	8
Cortland	33,525	0.0%	3.6%	6	7
Chenango	32,324	0.0%	3.7%	3	3
Seneca	29,710	0.0%	4.3%	6	8
Allegany	-	0.0%	0.0%	N/A	3
Non-MSA	1,290,289	1.7%	8.7%	4	34
Total AA	73,767,407	100%	2.8%	9	179

MANUFACTURERS AND TRADERS TRUST – CRA PERFORMANCE EVALUATION

The following is a summary of M&T’s loan portfolio, based on Schedule RC-C of the Bank’s December 31, 2018, 2019, 2020 and 2021 Call Reports:

TOTAL GROSS LOANS OUTSTANDING								
Loan Type	12/31/2018		12/31/2019		12/31/2020		12/31/2021	
	\$000's	%	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	21,830,750	24.8	20,432,465	22.5	20,571,112	20.9	19,511,582	21.1
Commercial & Industrial Loans	18,131,025	20.6	19,045,799	21.0	22,388,200	22.8	18,038,782	19.5
Commercial Mortgage Loans	21,683,229	24.6	22,245,275	24.5	22,837,092	23.2	21,563,642	23.3
Multifamily Mortgages	3,750,847	4.3	4,212,376	4.6	4,601,634	4.7	3,880,186	4.2
Consumer Loans	9,105,331	10.3	10,901,520	12.0	12,583,272	12.8	14,411,192	15.5
Agricultural Loans	157,686	0.2	162,051	0.2	182,763	0.2	188,780	0.2
Construction Loans	8,794,661	10.0	8,978,082	9.9	10,029,758	10.2	9,256,034	10.0
Obligations of States & Municipalities	107,682	0.1	99,441	0.1	133,216	0.1	954,620	1.0
Other Loans	3,351,331	3.8	3,298,405	3.6	3,822,356	3.9	3,873,114	4.2
Lease financing	1,262,726	1.4	1,273,821	1.4	1,134,835	1.2	1,002,816	1.1
Total Gross Loans	88,175,268		90,649,235		98,284,238		92,680,748	

As illustrated in the above table, M&T is primarily a commercial lender with 42.8% of its gross loan portfolio in commercial and industrial loans and commercial mortgages, while 25.3% is in one-to-four family residential and multifamily mortgage loans. Notably, the Bank’s consumer lending increased over the course of the evaluation period to \$14.4 billion or 15.5% in 2021 from \$9.1 billion or 10.3% in 2018, continuing its trend from the prior evaluation in which it increased to \$8 billion in 2017 from \$4.9 billion in 2014.

Examiners did not find evidence of financial or legal impediments that had an adverse impact on M&T’s ability to meet the credit needs of its community.

B. Assessment Area

M&T’s assessment area consists of 43 counties (69.4%) out of a total of 62 counties in New York State.

The Bank’s assessment area changed from the prior evaluation period as follows:

- In 2020, the Bank closed its only branch in Jefferson County and removed MSA 48060, Jefferson County from its assessment area.
- At the end of 2018, the Office of Management and Budget removed MD 20524, Dutchess-Putnam County from the MDs list in New York State and in 2019 added Putnam County to MD 35614, removed Orange County from MD 35614 and combined it with Dutchess County to make up the new MSA 39100.

There were 4,625 census tracts in the Bank’s assessment area, of which 491 were low-income, 938 were moderate-income, 1,792 were middle-income, 1,282 were upper-income, and 122 were tracts with no income indicated.

MANUFACTURERS AND TRADERS TRUST – CRA PERFORMANCE EVALUATION

M&T's assessment area includes full counties of the following regions within New York State:

Western New York Region

- MSA 15380 (Buffalo-Cheektowaga, NY) – Erie and Niagara counties
- Non-MSA – Allegany, Cattaraugus, and Chautauqua counties

Finger Lakes Region

- MSA 40380 (Rochester, NY) – Livingston, Monroe, Ontario, Orleans, and Wayne counties
- Non-MSA – Genesee, Seneca, and Wyoming counties

Central New York Region

- MSA 45060 (Syracuse, NY) -- Madison and Onondaga counties

Mohawk Valley Region

- MSA 46540 (Utica-Rome, NY) – Herkimer and Oneida counties

Southern Tier Region

- MSA 13780 (Binghamton, NY) – Broome and Tioga counties
- MSA 21300 (Elmira, NY) – Chemung County
- MSA 27060 (Ithaca, NY) – Tompkins County
- Non-MSA – Chenango and Steuben counties
- Non-MSA – Cayuga and Cortland counties

Capital Region

- MSA 10580 (Albany-Schenectady-Troy, NY) – Albany, Rensselaer, Saratoga, and Schenectady counties

Long Island Region

- MD 35004 (Nassau County-Suffolk County, NY) – Nassau and Suffolk counties

New York City and Mid-Hudson Valley Regions

- MD 35614 (New York-Jersey City-White Plains, NY-NJ) – Bronx, Kings, New York, Putnam, Queens, Richmond, Rockland, and Westchester counties
- MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY) – Dutchess and Orange counties
- MSA 28740 (Kingston, NY) – Ulster County
- Non-MSA – Sullivan County

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Assessment Area (MSA/MD/COUNTY) Census Tracts by Income Level 2021							
County/ MSA or MD	Low	Moderate	% LMI	Middle	Upper	N/A	# of CTs
Erie	38	41	33.3%	90	60	8	237
Niagara	8	13	33.9%	29	10	2	62
MSA 15380 (Buffalo-Cheektowaga, NY)	46	54	33.4%	119	70	10	299
Livingston	0	1	6.7%	10	2	2	15
Monroe	44	29	37.8%	62	53	5	193
Ontario	0	5	20.0%	16	4	0	25
Orleans	0	2	18.2%	8	0	1	11
Wayne	0	7	30.4%	13	2	1	23
MSA 40380 (Rochester, NY)	44	44	33.0%	109	61	9	267
Madison	0	4	25.0%	8	4	0	16
Onondaga	23	20	30.7%	50	42	5	140
MSA 45060 (Syracuse, NY)	23	24	30.1%	58	46	5	156
Broome	7	10	30.9%	27	11	0	55
Tioga	0	0	0.0%	7	3	0	10
MSA 13780 (Binghamton, NY)	7	10	26.2%	34	14	0	65
MSA 21300 (Elmira, NY) - Chemung	4	3	31.8%	11	3	1	22
MSA 27060 (Ithaca NY) - Tompkins	0	4	17.4%	12	6	1	23
MSA 28740 (Kingston, NY) - Ulster	1	7	17.0%	27	12	0	47
Dutchess	5	9	17.7%	41	22	2	79
Orange	9	14	29.1%	37	19	0	79
MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY)	14	23	23.4%	78	41	2	158
Herkimer	0	2	10.5%	16	1	0	19
Oneida	14	8	29.7%	29	17	6	74
MSA 46540 (Utica-Rome, NY)	14	10	25.8%	45	18	6	93
Albany	10	13	30.7%	30	21	1	75
Rensselaer	4	9	31.0%	24	5	0	42
Saratoga	0	7	14.0%	28	14	1	50
Schenectady	7	10	39.5%	19	6	1	43
MSA 10580 (Albany-Schenectady-Troy, NY)	21	39	28.6%	101	46	3	210
Bronx	140	99	70.5%	60	33	7	339
Kings	95	260	46.6%	230	162	14	761
New York	34	57	31.6%	21	161	15	288
Queens	16	146	24.2%	303	177	27	669
Putnam	0	0	0.0%	0	19	0	19
Richmond	4	8	10.9%	28	67	3	110
Rockland	4	9	20.0%	7	45	0	65
Westchester	7	26	14.8%	40	145	5	223
MD 35614 (New York-Jersey City-White Plains, NY-NJ)	300	605	36.6%	689	809	71	2,474
Nassau	7	28	12.3%	159	81	9	284
Suffolk	6	68	22.9%	192	56	1	323
MD 35004 (Nassau County-Suffolk County, NY)	13	96	18.0%	351	137	10	607
Allegany	0	1	7.7%	11	0	1	13
Cattaraugus	1	2	14.3%	17	0	1	21
Cayuga	1	2	15.0%	12	4	1	20
Chautauqua	2	4	16.7%	27	2	1	36
Chenango	0	1	8.3%	11	0	0	12
Cortland	0	1	8.3%	8	3	0	12
Genesee	0	1	6.7%	13	1	0	15
Seneca	0	0	0.0%	8	2	0	10
Steuben	0	3	10.0%	24	3	0	30
Sullivan	0	4	16.7%	17	3	0	24
Wyoming	0	0	0.0%	10	1	0	11
Outside of MSA/MD	4	19	11.3%	158	19	4	204
Total	491	938	30.90%	1,792	1,282	122	4,625

C. Demographic & Economic Data

The assessment area had a population of 18,590,690 during the evaluation period. Approximately 14.2% of the population were over the age of 65 and 19.1% were under the age of 16.

Of the 4,354,622 families in the assessment area, 25.6% were low-income, 16.4% were moderate-income, 18.4% were middle-income and 39.7% were upper-income. There were 6,844,563 households in the assessment area, of which 14.9% had income below the poverty level and 3.4% were on public assistance. The weighted average median family income in the assessment area was \$81,650.

There were 7,612,360 housing units within the assessment area, of which 63.5% were one- to four-family units and 34.8% were multifamily units. A majority (47.3%) of the housing units were owner-occupied while 42.6% were rental-occupied units.

Of the 3,600,812 owner-occupied housing units, 15.1% were in LMI census tracts while 84.8% were in middle- and upper-income census tracts. The median age of the housing stock was 70 years, and the median home value in the assessment area was \$388,698.

Housing characteristics for the Bank's top five deposit generating MSAs/MDs were as follows:

MSA 15380 (Buffalo-Cheektowaga NY)

There were 519,952 housing units in this MSA, of which 12.2% were multifamily units, and 85.9% were one-to-four family units. Of all the housing units in the MSA, 59.9% were owner-occupied and 30.7% were renter-occupied. The percentages of owner-occupied and renter-occupied housing units in LMI census tracts were 18.2% and 43.6%, respectively. The average median home value for this MSA was \$125,586.

MSA/MD 35614 (New York-Jersey City-White Plains, NY-NJ)

There were 3,934,988 housing units in this MSA/MD assessment area, of which 56.1% were multifamily units and 43.6% one-to-four family units. Of the housing units in the MSA/MD, 58.1% were renter-occupied and 33.0% were owner-occupied. Of the 2,404,862 rental housing units, 50.6% were in LMI census tracts, while 16.5% of the 1,297,598 owner-occupied housing units were in LMI census tracts. The average median home value for this MSA/MD was \$528,311.

MD 35004 (Nassau-Suffolk, NY)

There were 1,037,450 housing units in this assessment area, of which 89.55% were one-to-four family units, and 9.9% were multifamily units. Of all the housing units in the MSA, 71.9% were owner-occupied units and 18.2% were rental-occupied units. The percentages of owner-occupied and renter-occupied housing units located in LMI census tracts were 15% and 35.8%, respectively. The average median home value for this MSA was \$465,699.

MSA 40380 (Rochester, NY)

There were 459,864 housing units in this MSA, of which 82.4% were one-to-four family units and 14.3% were multifamily units. Of all the housing units in the MSA, 61.5% were owner-occupied units and 30% were renter-occupied units. The percentages of owner-occupied units and renter-

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occupied housing units located in LMI census tracts were 15% and 42.3%, respectively. The average median home value for this MSA was \$130,495.

MSA 45060 (Syracuse, NY)

There were 235,698 housing units in this MSA, of which 81.7% were one-to-four family units, and 16.2% were multifamily units. Of all the housing units in the MSA, 59.5% were owner-occupied units and 30% were rental occupied units. The percentages of owner-occupied housing units and renter-occupied housing units located in LMI census tracts were 13.5% and 45.3%, respectively. The average median home value for this MSA was \$130,785.

Of the above noted top five deposit-generating MSAs/MDs, multifamily housing units represented 56.1% of all housing units in MSA/MD 35614, a much larger percentage than in the other four MSAs in which more than 80% of the total housing units were one-to-four family housing units. The median home values for Downstate MSA/MD 35614 and MD 35004 were \$528,311 and \$465,599, respectively, which were well above the median home value range of \$125,586 to \$130,785 for the three Upstate MSAs (15380, 40380 and 45060).

There were 2,151,926 non-farm businesses in the assessment area. Of these, 90% were businesses with reported revenues of less than or equal to \$1 million, 3.6% reported revenues of more than \$1 million and 6.4% did not report their revenues. Of all the businesses in the assessment area, 96.9% were businesses with less than fifty employees while 94.1% operated from a single location. The largest industries in the area were Services (35.8%), Retail Trade (11.6%) and Finance, Insurance & Real Estate (9.2%); 26.7% of businesses in the assessment area were not classified.

An analysis of employment data from the New York State Department of Labor showed that the average annual unemployment rates for New York State and all the counties in M&T’s assessment area increased significantly in 2020 over 2018 and 2019. This was due to the onset of the COVID-19 pandemic. While the 2021 annual average unemployment rate improved from the 2020 rates for New York State and all the counties in the assessment area, they remained well above pre-pandemic levels. The Ithaca Metro Area had the lowest average unemployment rate at 4.2% of all metro areas and counties listed in the table below for the period from 2018 to 2021.

The tables below show the average annual unemployment rates for 23 counties, eight metro areas and one MSA in the Bank’s assessment area. The tables are separated by counties in downstate New York, MSA and Metro Areas in Upstate New York, and individual counties in non-MSA or non-MD.

Statewide and counties in Downstate New York - Annual Unemployment Rates													
Year	State-wide	Bronx	Kings	New York	Queens	Richmond	Orange	Rockland	Westchester	Nassau	Suffolk	Dutchess	Putnam
2018	4.1	5.7	4.2	3.7	3.6	4.1	3.9	3.7	3.9	3.5	3.8	3.7	3.7
2019	3.9	5.4	4.1	3.5	3.5	3.8	3.6	3.4	3.6	3.3	3.5	3.4	3.5
2020	9.8	16.0	12.4	9.5	12.4	10.5	8.0	7.7	8.0	8.0	8.1	7.3	7.2
2021	7.0	13.8	10.3	7.7	9.8	8.9	4.7	4.4	4.8	4.5	4.6	4.5	4.2
Average	6.2	10.2	7.8	6.1	7.3	6.8	5.1	4.8	5.1	4.8	5.0	4.7	4.7

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Statewide and MSAs in Upstate New York - Annual Unemployment Rates										
Year	State-wide	Albany-Schenectady-Troy MSA	Binghamton Metro Area	Buffalo-Niagara Falls Metro Area	Elmira Metro Area	Ithaca Metro Area	Kingston Metro Area	Rochester Metro Area	Syracuse Metro Area	Utica-Rome Metro Area
2018	4.1	3.7	4.7	4.5	4.6	3.6	3.9	4.2	4.3	4.5
2019	3.9	3.5	4.4	4.2	4.0	3.5	3.6	3.9	4.1	4.2
2020	9.8	6.9	8.1	9.3	8.4	5.8	7.7	7.8	8.1	7.8
2021	7.0	4.4	5.1	5.5	5.3	3.8	4.7	5.0	5.0	5.3
Average	6.2	4.6	5.6	5.9	5.6	4.2	5.0	5.2	5.4	5.5

Statewide and Non-MSA counties in Upstate New York - Annual Unemployment Rates												
Year	State-wide	Allegany	Cattaraugus	Cayuga	Chautauqua	Chenango	Cortland	Genesee	Seneca	Steuben	Sullivan	Wyoming
2018	4.1	5.6	5.3	4.4	5.0	4.6	5.1	4.1	3.8	4.9	4.1	4.6
2019	3.9	5.2	4.8	4.1	4.5	4.3	4.7	3.7	3.7	4.4	3.8	4.2
2020	9.8	7.7	9.1	7.6	8.5	6.6	7.7	7.1	7.8	7.9	8.4	7.2
2021	7.0	5.0	5.3	4.7	5.6	4.4	5.1	4.3	4.7	5.0	4.9	4.5
Average	6.2	5.9	6.1	5.2	5.9	5.0	5.7	4.8	5.0	5.6	5.3	5.1

D. Community Information

Examiners conducted two community contact interviews to identify the credit needs of the community and performance of financial institutions in meeting those needs. DFS examiners interviewed representatives from two nonprofit organizations offering free services that include legal aid, financial education, family, employment, disability, health, housing, foreclosures, public benefits, and immigration.

The representatives noted that there are and continue to be areas of poverty in Upstate New York. For example, the City of Rochester has the second highest concentrations of childhood poverty in the country; and is burdened with very high cost of living expenses, in large part due to the high cost of housing. In addition, many rural communities in Upstate New York are still unbanked and/or underbanked, where some areas are serviced by only one branch while other neighborhoods struggle with inadequate or no public transportations to access traditional banks.

The representatives also noted that the stringent loan application process and high underwriting and lending standards imposed by most local banks are a challenge to would-be borrowers, especially those with low credit scores who then fall prey to riskier and more expensive predatory lending products and services.

The community contacts emphasized the need for affordable and flexible lending products, including loans for rehabilitation, renovation, and repairs of dilapidated housing stock in their communities. They also noted the need for additional banking presence in rural communities that are identified as underbanked and underserved. Furthermore, the representatives encourage and highly recommend that local financial institutions' loans, investments, and community development participation should be commensurate with the growth in their deposit-market shares within the communities they service.

IV. - PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The Department evaluated M&T under the large banking institutions performance criteria in accordance with Sections 76.7, 76.8, 76.9 and 76.10 of the GRS, which consist of the lending, investment, and service tests. DFS also considered the following factors in assessing the Bank's record of performance:

1. The extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance;
2. Any practices intended to discourage credit applications;
3. Evidence of prohibited discriminatory or other illegal credit practices;
4. Record of opening and closing offices and providing services at offices; and
5. Process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs.

Finally, the Evaluation considered other factors as delineated in Section 28-b of the New York Banking Law that reasonably bear upon the extent to which M&T helps to meet the credit needs of its entire community.

DFS derived statistics employed in this Evaluation from various sources. M&T submitted bank-specific information both as part of the Evaluation process and in its Call Report submitted to the FDIC. DFS obtained aggregate lending data from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data from the FDIC. DFS obtained LTD ratios from information shown in the Bank's Uniform Bank Performance Report, compiled by the FFIEC from Call Report data.

DFS derived the demographic data referred to in this report from the 2010 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor.

The evaluation period included calendar years 2018, 2019, 2020 and 2021 for lending activities and the period from October 1, 2018 to March 31, 2023 for community development activities.

Examiners considered M&T's small business and HMDA-reportable loans in evaluating factors (2), (3) and (4) of the lending test noted below.

As M&T made very few small farm loans, DFS based all analyses on small business lending only.

HMDA-reportable loan data in this Evaluation represented originated and purchased loans. Small business loan data in this Evaluation represented actual originations.

For this Evaluation, M&T submitted CRA lending and investments activities for consideration from the following subsidiaries: M&T Realty Capital Corporation and investments made by M&T Affordable Housing Fund SCG II LP, NMTC Fund TCC Dunkirk, LLC. DFS evaluated these lending and investments activities and included them if they supported a qualified community development purpose and were made during the evaluation period.

In its prior Community Reinvestment Act Performance Evaluation as of September 30, 2018, DFS assigned M&T a rating of “1” or “Outstanding.”

Current CRA Rating: Outstanding

A. Lending Test: Outstanding

The Bank’s lending performance was evaluated pursuant to the following criteria: (1) Lending Activity;

- (2) Assessment Area Concentration;*
- (3) Geographic Distribution of Loans;*
- (4) Borrower Characteristics;*
- (5) Community Development Lending; and*
- (6) Flexible and/or Innovative Lending Practices.*

M&T’s small business and HMDA-reportable lending activities were excellent considering the Bank’s size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of its assessment area. M&T’s level of community development lending was excellent, supporting healthcare services targeted to LMI individuals and communities, multifamily housing projects, SBA loans for small businesses, and financing various projects to revitalize and stabilize LMI geographies.

The COVID-19 pandemic significantly impacted economic conditions nationwide, including M&T’s assessment area during 2020 and 2021. Unemployment rates increased drastically and a substantial increase in housing prices, caused by a housing inventory shortage, made it more difficult for LMI and first-time homebuyers to purchase homes. Also, traditional small business lending declined in favor of the SBA’s Paycheck Protection Program (“PPP”), which offered more flexible underwriting standards, including not requiring revenue information.

M&T’s one-to-four family HMDA-reportable loans continued to be the Bank’s primary consumer loan product during the evaluation period. Accordingly, the Bank’s one-to-four family HMDA-reportable loan volume increased 37.2% by dollar value compared to the prior evaluation period. M&T identified low mortgage interest rates as the main contributing factor. During the first half of 2020, Federal Reserve significantly lowered the interest rates to spur economic growth and curtail the adverse impact of the pandemic. As a result, refinancing and buying activities spiked in the housing market in early 2020.

1. Lending Activity: Outstanding

M&T’s lending levels were excellent considering its size, business strategy and financial condition, as well as the activity of its peer group and the demographic characteristics of its assessment area.

M&T’s average LTD ratio of 86.1% for the evaluation period was well above its peer group’s average LTD ratio of 64.2%. The effects of the pandemic were evident in both the Bank’s and peer group’s LTD ratios which started to decline in the second quarter of 2020 and continued to decline

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for the remainder of the evaluation period. It is worth noting that despite the economic conditions and M&T’s business practice of selling mortgage loans in the secondary market, the Bank’s LTD ratio exceeded its peer group’s LTD ratios for all 16 quarters of the evaluation period.

Furthermore, in 2021, M&T ranked seventh by number of loans among 627 HMDA-reportable lenders and eighth by number of loans, among 417 small business lenders in the Bank’s assessment area. In addition, on a national level, M&T has been a top 10 SBA lender since 2009.

The table below shows M&T’s LTD ratios in comparison with the peer group’s ratios for the 16 quarters of this evaluation period.

Loan-to-Deposit Ratios																	
	2018	2018	2018	2018	2019	2019	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021	Avg.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Bank	93.6	95.8	94.2	95.2	95.0	95.2	91.7	93.1	91.0	82.5	83.0	79.8	75.2	73.6	70.3	68.3	86.1
Peer	69.9	70.5	70.7	70.4	70.1	72.0	71.0	69.6	66.7	60.4	59.3	57.0	55.2	54.1	55.3	55.5	64.2

2. Assessment Area Concentration: Outstanding

During the evaluation period, M&T originated 98.1% by number and 98.2% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating an excellent concentration of lending.

The following table shows the percentages of M&T’s HMDA-reportable and small business loans originated inside and outside of the assessment area.

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA-Reportable										
2018	11,319	97.8%	256	2.2%	11,575	2,682,275	98.9%	30,871	1.1%	2,713,146
2019	11,471	97.7%	266	2.3%	11,737	3,269,463	98.4%	52,961	1.6%	3,322,424
2020	14,972	97.5%	388	2.5%	15,360	3,956,764	97.6%	95,850	2.4%	4,052,614
2021	14,937	97.1%	452	2.9%	15,389	3,963,340	97.9%	85,802	2.1%	4,049,142
Subtotal	52,699	97.5%	1,362	2.5%	54,061	13,871,842	98.1%	265,484	1.9%	14,137,326
Small Business										
2018	5,147	98.7%	67	1.3%	5,214	746,427	98.3%	12,742	1.7%	759,169
2019	6,344	98.8%	78	1.2%	6,422	722,227	98.8%	8,860	1.2%	731,087
2020	17,761	99.1%	168	0.9%	17,929	1,973,199	98.6%	27,593	1.4%	2,000,792
2021	14,284	98.8%	175	1.2%	14,459	1,381,773	98.6%	19,857	1.4%	1,401,630
Subtotal	43,536	98.9%	488	1.1%	44,024	4,823,626	98.6%	69,052	1.4%	4,892,678
Grand Total	96,235	98.1%	1,850	1.9%	98,085	18,695,468	98.2%	334,536	1.8%	19,030,004

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a. HMDA-Reportable Loans:

During the evaluation period, M&T originated 97.5% by number and 98.1% by dollar value of its HMDA-reportable loans within the assessment area. This substantial majority of lending inside of its assessment area reflects an excellent concentration of lending.

Of M&T's HMDA-reportable loans originated within its NYS assessment area during the evaluation period, 74% by number and 82.6% by dollar value of loans were originated/purchased in the following five MSAs/MDs: MD 35614 (New York-Jersey City-White Plains, NY-NJ); MSA 15380 (Buffalo-Cheektowaga, NY), MD 35004 (Nassau-Suffolk, NY); MSA 40380 (Rochester, NY); and MSA 10580 (Albany-Schenectady-Troy, NY).

The following table shows M&T's HMDA-reportable loans originated/purchased in each MSA/MD and for each year of the evaluation period.

HMDA-Reportable Lending Activity Inside the Assessment Area																				
MSA/MD	2018				2019				2020				2021				Total			
	#	%	#	%	#	%	#	%	\$	%	#	%	\$	%	#	%	\$	%		
35614	1,421	12.6%	943,194	35.2	1,252	10.9%	1,078,064	33.0%	2,289	15.3%	1,298,415	32.8%	2,368	15.9%	1,048,211	26.4%	7,330	13.9%	4,367,883	31.5%
15380	4,320	38.2%	527,041	19.6	4,376	38.1%	741,584	22.7%	5,044	33.7%	814,720	20.6%	4,953	33.2%	972,217	24.5%	18,693	35.5%	3,055,561	22.0%
35004	804	7.1%	423,298	15.8	920	8.0%	625,075	19.1%	1,672	11.2%	617,428	15.6%	1,446	9.7%	587,709	14.8%	4,842	9.2%	2,253,511	16.2%
40380	1,387	12.3%	192,226	7.2	1,384	12.1%	174,828	5.3%	1,595	10.7%	375,011	9.5%	1,727	11.6%	297,669	7.5%	6,093	11.6%	1,039,734	7.5%
10580	379	3.35%	119,806	4.5	446	3.9%	156,950	4.8%	566	3.8%	184,596	4.7%	627	4.2%	280,886	7.1%	2,018	3.8%	742,238	5.4%
Sub-Total	8,311	73.4%	2,205,564	82.2%	8,378	73.0%	2,776,502	84.9%	11,166	74.6%	3,290,170	83.2%	11,121	74.5%	3,186,691	80.4%	38,976	74.0%	11,458,927	82.6%
13780	485	4.3%	38,326	1.4%	421	3.7%	36,855	1.1%	468	3.1%	62,107	1.6%	509	3.4%	59,460	1.5%	1,883	3.6%	196,748	1.4%
20524	314	2.8%	155,451	5.8%		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%	314	0.6%	155,451	1.1%
21300	21	0.2%	1,605	0.1%	35	0.3%	3,467	0.1%	54	0.4%	5,509	0.1%	45	0.3%	12,254	0.3%	155	0.3%	22,834	0.2%
27060	60	0.5%	9,017	0.3%	71	0.6%	14,557	0.4%	95	0.6%	23,728	0.6%	109	0.7%	70,031	1.8%	335	0.6%	117,333	0.8%
28740	166	1.5%	21,095	0.8%	138	1.2%	18,464	0.6%	199	1.3%	33,047	0.8%	248	1.7%	42,009	1.1%	751	1.4%	114,614	0.8%
39100		0.0%		0.0%	551	4.8%	100,587	3.1%	719	4.8%	195,679	4.9%	719	4.8%	217,293	5.5%	1,989	3.8%	513,559	3.7%
45060	688	6.1%	123,920	4.6%	765	6.7%	178,473	5.5%	873	5.8%	174,011	4.4%	816	5.5%	189,982	4.8%	3,142	6.0%	666,386	4.8%
46540	303	2.7%	31,093	1.2%	255	2.2%	51,366	1.6%	272	1.8%	32,761	0.8%	272	1.8%	43,764	1.1%	1,102	2.1%	158,983	1.1%
48060	49	0.4%	6,514	0.2%	26	0.2%	8,184	0.3%	67	0.4%	11,800	0.3%		0.0%		0.0%	142	0.3%	26,499	0.2%
Non-MSA	922	8.1%	89,691	3.3%	831	7.2%	81,008	2.5%	1,059	7.1%	127,951	3.2%	1,098	7.4%	141,858	3.6%	3,910	7.4%	440,507	3.2%
Total	11,319	100%	2,682,275	100%	11,471	100%	3,269,463	100%	14,972	100%	3,956,764	100%	14,937	100%	3,963,340	100%	52,699	100%	13,871,842	100%

b. Small Business Loans:

M&T originated 98.9% by number and 98.6% by dollar value of its small business loans within the assessment area during the evaluation period. This substantial majority of lending inside of its assessment area reflects an excellent concentration of lending.

Of M&T's small business loans originated within its NYS assessment area during the evaluation period, 72.7% by number and 77.1% by dollar value were originated in the following five MSAs/MDs: MSA 15380 (Buffalo-Cheektowaga, NY); MD 35614 (New York-Jersey City-White

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Plains, NY-NJ); MSA 40380 (Rochester, NY); MSA 45060 (Syracuse, NY); and MD 35004 (Nassau-Suffolk, NY).

The following table shows M&T’s small business loans originated in each MSAs/MDs and for each year of the evaluation period.

Small Business Lending Activity Inside the Assessment Area																				
MSA/MD	2018				2019				2020				2021				Total			
	#	%	\$	%	#	%	\$	%	#	%	\$	%	#	%	\$	%	#	%	\$	%
15380	1,222	23.7%	180,501	24.2%	1,481	23.3%	163,222	22.6%	5,020	28.3%	543,269	27.5%	3,712	26.0%	349,265	25.3%	11,435	26.3%	1,236,257	25.6%
35614	741	14.4%	116,777	15.6%	1,041	16.4%	127,730	17.7%	2,589	14.6%	310,334	15.7%	2,569	18.0%	276,472	20.0%	6,940	15.9%	831,313	17.2%
40380	882	17.1%	142,127	19.0%	995	15.7%	124,987	17.3%	2,687	15.1%	299,021	15.2%	2,022	14.2%	202,135	14.6%	6,586	15.1%	768,270	15.9%
45060	576	11.2%	86,737	11.6%	630	9.9%	73,836	10.2%	1,774	10.0%	214,038	10.8%	1,280	9.0%	127,384	9.2%	4,260	9.8%	501,995	10.4%
35004	318	6.2%	64,032	8.6%	424	6.7%	66,278	9.2%	914	5.1%	141,035	7.1%	779	5.5%	108,427	7.8%	2,435	5.6%	379,772	7.9%
Sub-Total	3,739	72.6%	590,174	79.1%	4,571	72.1%	556,053	77.0%	12,984	73.1%	1,507,697	76.4%	10,362	72.5%	1,063,683	77.0%	31,656	72.7%	3,717,607	77.1%
10580	198	3.8%	40,893	5.5%	207	3.3%	37,049	5.1%	654	3.7%	94,269	4.8%	437	3.1%	46,622	3.4%	1,496	3.4%	218,833	4.5%
13780	218	4.2%	27,588	3.7%	225	3.5%	20,045	2.8%	777	4.4%	77,120	3.9%	634	4.4%	49,214	3.6%	1,854	4.3%	173,967	3.6%
20524	249	4.8%	18,465	2.5%		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%	249	0.6%	18,465	0.4%
21300	13	0.3%	932	0.1%	30	0.5%	2,549	0.4%	38	0.2%	2,956	0.1%	27	0.2%	1,962	0.1%	108	0.2%	8,399	0.2%
27060	61	1.2%	5,324	0.7%	59	0.9%	5,464	0.8%	137	0.8%	8,257	0.4%	132	0.9%	7,708	0.6%	389	0.9%	26,753	0.6%
28740	135	2.6%	10,966	1.5%	159	2.5%	9,859	1.4%	398	2.2%	29,358	1.5%	305	2.1%	19,573	1.4%	997	2.3%	69,756	1.4%
39100		0.0%		0.0%	401	6.3%	31,044	4.3%	1,230	6.9%	106,939	5.4%	981	6.9%	85,765	6.2%	2,612	6.0%	223,748	4.6%
46540	194	3.8%	16,746	2.2%	227	3.6%	23,240	3.2%	521	2.9%	52,274	2.6%	567	4.0%	41,727	3.0%	1,509	3.5%	133,987	2.8%
48060	13	0.3%	2,743	0.4%	18	0.3%	1,782	0.2%	45	0.3%	5,560	0.3%		0.0%		0.0%	76	0.2%	10,085	0.2%
Non-MSA	327	6.4%	32,596	4.4%	447	7.0%	35,142	4.9%	977	5.5%	88,769	4.5%	839	5.9%	65,519	4.7%	2,590	5.9%	222,026	4.6%
Total	5,147	100%	746,427	100%	6,344	100%	722,227	100%	17,761	100%	1,973,199	100%	14,284	100%	1,381,773	100%	43,536	100%	4,823,626	100%

3. Geographic Distribution of Loans: High Satisfactory

M&T’s origination of loans in census tracts of varying income levels demonstrated a good distribution of lending.

M&T’s average lending rates of HMDA-reportable and small business loans made in LMI geographies by number and dollar value of loans for the evaluation period, were each comparable to the aggregate’s average lending rates.

a. HMDA-Reportable Loans:

The distribution of M&T’s HMDA-reportable loans by the income level of the geography was good.

During the evaluation period, M&T originated 16.2% by number and 17% by dollar value of its HMDA-reportable loans in LMI census tracts, which were comparable to the aggregate’s originations of 14.3% and 18%, respectively. By number of loans, M&T’s annual lending rates to LMI borrowers exceeded the aggregate’s rates in three of the evaluation period’s four years, while by dollar value of loans, the Bank’s annual lending rates exceeded the aggregate’s rates in two of the four years.

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Both the Bank's and the aggregate's average lending rates to LMI borrowers by dollar value exceeded the average percentage of 15.3% of LMI owner-occupied housing demographics within the assessment area for the evaluation period, while both the Bank's and the aggregate's lending rates by number of loans was comparable to the demographics.

The following table provides a summary of the distribution of M&T's HMDA-reportable loans by the income level of the geography where the property was located.

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2018									
Geographic	Bank				Aggregate				OO HUs
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	436	3.9%	159,720	6.0%	8,811	3.3%	6,858,915	6.3%	3.1%
Moderate	1,275	11.3%	529,003	19.7%	33,478	12.5%	16,821,770	15.5%	13.1%
LMI	1,711	15.1%	688,723	25.7%	42,289	15.8%	23,680,685	21.8%	16.2%
Middle	5,518	48.7%	1,049,763	39.1%	122,424	45.8%	34,080,930	31.4%	47.5%
Upper	4,087	36.1%	942,301	35.1%	102,260	38.3%	50,258,030	46.3%	36.3%
Unknown	3	0.0%	1,488	0.1%	242	0.1%	561,360	0.5%	0.1%
Total	11,319		2,682,275		267,215		108,581,005		
2019									
Geographic	Bank				Aggregate				OO HUs
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	398	3.5%	69,483	2.1%	8,725	3.0%	6,933,715	5.3%	2.8%
Moderate	1,316	11.5%	298,534	9.1%	34,307	11.8%	17,177,935	13.1%	12.2%
LMI	1,714	14.9%	368,017	11.3%	43,032	14.8%	24,111,650	18.4%	15.0%
Middle	5,545	48.3%	1,451,725	44.4%	131,760	45.3%	41,084,050	31.4%	46.9%
Upper	4,205	36.7%	1,389,276	42.5%	115,999	39.9%	65,215,105	49.8%	38.0%
Unknown	7	0.1%	60,444	1.8%	278	0.1%	614,630	0.5%	0.1%
Total	11,471		3,269,463		291,069		131,025,435		
2020									
Geographic	Bank				Aggregate				OO HUs
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	587	3.9%	168,491	4.3%	9,519	2.5%	6,346,245	3.9%	2.8%
Moderate	1,866	12.5%	558,807	14.1%	38,896	10.3%	19,071,900	11.7%	12.3%
LMI	2,453	16.4%	727,298	18.4%	48,415	12.8%	25,418,145	15.6%	15.1%
Middle	7,139	47.7%	1,572,881	39.8%	168,650	44.6%	54,119,700	33.2%	46.7%
Upper	5,371	35.9%	1,644,034	41.5%	160,620	42.5%	82,942,770	50.9%	38.2%
Unknown	9	0.1%	12,551	0.3%	317	0.1%	350,335	0.2%	0.1%
Total	14,972		3,956,764		378,002		162,830,950		
2021									
Geographic	Bank				Aggregate				OO HUs
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	718	4.8%	155,949	3.9%	12,613	2.8%	8,717,335	4.4%	2.8%
Moderate	1,920	12.9%	415,455	10.5%	51,848	11.6%	26,541,770	13.3%	12.3%
LMI	2,638	17.7%	571,404	14.4%	64,461	14.5%	35,259,105	17.6%	15.1%
Middle	7,185	48.1%	1,854,764	46.8%	195,764	44.0%	67,305,280	33.6%	46.7%
Upper	5,108	34.2%	1,535,493	38.7%	184,734	41.5%	97,413,380	48.6%	38.2%
Unknown	6	0.0%	1,679	0.0%	395	0.1%	310,825	0.2%	0.1%
Total	14,937		3,963,340		445,354		200,288,590		
GRAND TOTAL									
Geographic	Bank				Aggregate				OO HUs
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	2,139	4.1%	553,643	4.0%		2.9%		4.8%	
Moderate	6,377	12.1%	1,801,799	13.0%		11.5%		13.2%	
LMI	8,516	16.2%	2,355,442	17.0%	198,197	14.3%	108,469,585	18.0%	
Middle	25,387	48.2%	5,929,134	42.7%		44.8%		32.6%	
Upper	18,771	35.6%	5,511,104	39.7%		40.8%		49.1%	
Unknown	25	0.0%	76,162	0.5%		0.1%		0.3%	
Total	52,699		13,871,841		1,381,640		602,725,980		

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Of the total HMDA-reportable loans made in LMI geographies during the evaluation period, 86.5% by number and 90.5% by dollar value of loans were made in the five MSAs/MDs listed in the table below.

Top 5 LMI Geography Concentration by MSA/MD - HMDA Loans Inside the Assessment Area (2018-2021)				
MSA/MD	Loans (#) made in LMI Geographies	%	Loans (\$000's) made in LMI Geographies	%
35614 (New York-Jersey City-White Plains, NY-NJ)	1,631	19.2%	1,151,473	48.9%
35004 (Nassau-Suffolk NY)	1,044	12.3%	436,344	18.5%
15380 (Buffalo-Cheektowaga, NY)	2,737	32.1%	288,420	12.2%
10580 (Albany-Schenectady-Troy NY)	443	5.2%	143,927	6.1%
40380 (Rochester NY)	1,509	17.7%	111,125	4.7%
Subtotal for Top 5	7,364	86.5%	2,131,289	90.5%
AA Total	8,516	100.0%	2,355,442	100.0%

b. Small Business Loans:

The distribution of M&T's small business loans among census tracts of varying income levels was good.

During the evaluation period, M&T originated 19.7% by number and 20.5% by dollar value of its small business loans in LMI census tracts which were comparable to the aggregate's rates of 21.8% and 21.1%, respectively. The Bank's lending rates in low-income census tracts exceeded the aggregate's rates by dollar value and, except for 2018, also by number of loans for each year of the evaluation period but trailed the aggregate's rates in moderate-income tracts each year by number of loans and each year by dollar value of loans, except for 2020.

Both the Bank's and the aggregate's average small business lending rates in LMI census tracts slightly trailed the average percentage of 23.6% of businesses located in LMI census tracts within M&T's assessment area.

The following table provides a summary of the distribution of M&T's small business loans by the income level of the geography where the business was located.

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Distribution of Small Business Lending by Geographic Income of the Census Tract									
2018									
Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	390	7.6%	61,856	8.3%	40,387	8.1%	1,212,648	7.8%	7.7%
Moderate	621	12.1%	93,819	12.6%	81,102	16.3%	2,386,986	15.4%	16.1%
LMI	1,011	19.6%	155,675	20.9%	121,489	24.4%	3,599,634	23.3%	23.8%
Middle	2,199	42.7%	289,108	38.7%	161,538	32.4%	4,912,199	31.7%	35.0%
Upper	1,855	36.0%	281,987	37.8%	208,479	41.8%	6,582,397	42.5%	39.5%
Unknown	82	1.6%	19,657	2.6%	6,991	1.4%	382,729	2.5%	1.6%
Total	5,147		746,427		498,497		15,476,959		
2019									
Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	510	8.0%	57,028	7.9%	37,661	7.1%	1,051,839	6.7%	6.7%
Moderate	805	12.7%	98,068	13.6%	84,739	16.0%	2,358,611	15.1%	16.2%
LMI	1,315	20.7%	155,096	21.5%	122,400	23.1%	3,410,450	21.8%	22.9%
Middle	2,717	42.8%	296,291	41.0%	171,850	32.5%	5,012,364	32.1%	34.7%
Upper	2,214	34.9%	251,664	34.8%	227,372	42.9%	6,745,868	43.2%	40.9%
Unknown	98	1.5%	19,176	2.7%	7,907	1.5%	460,195	2.9%	1.6%
Total	6,344		722,227		529,529		15,628,877		
2020									
Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	1,397	7.9%	167,443	8.5%	37,552	6.6%	1,744,468	5.9%	6.8%
Moderate	2,025	11.4%	223,929	11.3%	87,800	15.5%	4,022,315	13.7%	16.2%
LMI	3,422	19.3%	391,372	19.8%	125,352	22.1%	5,766,783	19.7%	23.0%
Middle	7,271	40.9%	799,766	40.5%	187,154	33.0%	9,306,511	31.7%	33.5%
Upper	6,738	37.9%	729,315	37.0%	245,786	43.3%	13,392,344	45.6%	41.9%
Unknown	330	1.9%	52,746	2.7%	8,983	1.6%	874,835	3.0%	1.6%
Total	17,761		1,973,199		567,275		29,340,473		
2021									
Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	1,152	8.1%	116,676	8.4%	44,864	7.0%	1,469,910	6.2%	7.4%
Moderate	1,676	11.7%	168,187	12.2%	108,029	16.9%	3,525,535	14.8%	17.1%
LMI	2,828	19.8%	284,863	20.6%	152,893	23.9%	4,995,445	20.9%	24.5%
Middle	5,747	40.2%	537,248	38.9%	214,388	33.6%	7,547,281	31.7%	33.3%
Upper	5,475	38.3%	524,123	37.9%	261,954	41.0%	10,619,965	44.5%	40.8%
Unknown	234	1.6%	35,539	2.6%	9,417	1.5%	682,530	2.9%	1.5%
Total	14,284		1,381,773		638,652		23,845,221		
GRAND TOTAL									
Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	3,449	7.9%	403,003	8.4%		5.3%		6.5%	
Moderate	5,127	11.8%	584,003	12.1%		16.5%		14.6%	
LMI	8,576	19.7%	987,006	20.5%	477,270	21.8%	17,772,312	21.1%	
Middle	17,934	41.2%	1,922,413	39.9%		33.6%		31.8%	
Upper	16,282	37.4%	1,787,089	37.0%		43.1%		44.3%	
Unknown	744	1.7%	127,118	2.6%		1.5%		2.8%	
Total	43,536		4,823,626		2,189,089		84,291,530		

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Of the total small business loans made in LMI geographies, a majority, 76.1% by number and 76.7% by dollar value of loans, were made in the five MSAs/MDS listed in the table below during the evaluation period.

Top 5 LMI Geography Concentration by MSA/MD - Small Business Loans Inside the Assessment Area (2018-2021)				
MSA/MD	Loans (#) made in LMI Geographies	%	Loans (\$) made in LMI Geographies	%
15380 (Buffalo-Cheektowaga, NY)	2,510	29.3%	283,625	28.7%
40380 (Rochester NY)	1,228	14.3%	173,498	17.6%
35614 (New York-Jersey City-White Plains, NY-NJ)	1,446	16.9%	145,169	14.7%
45060 (Syracuse NY)	742	8.7%	102,949	10.4%
39100 (Poughkeepsie-Newburgh-Middletown, NY)	604	7.0%	51,721	5.2%
Top 5 Subtotal	6,530	76.1%	756,962	76.7%
AA Total	8,576	100.0%	987,006	100.0%

4. Distribution by Borrower Characteristics: Outstanding

M&T’s one-to-four HMDA-reportable and small business lending demonstrated an excellent distribution of loans among individuals of different income levels and businesses of different revenue sizes.

During the evaluation period, M&T’s one-to-four family HMDA-reportable rates of lending to LMI borrowers and small business rates of lending to businesses with revenue of \$1 million or less exceeded the aggregate’s rates both by number and by dollar value of loans.

a. One-to-four Family HMDA-Reportable Loans:

M&T’s one-to-four family HMDA-reportable lending demonstrated an excellent distribution of loans among individuals of different income levels.

During the evaluation period, M&T’s average rates of lending to LMI borrowers of 28.5% by number and 16.2% by dollar value of loans were well above the aggregate’s rates of 21.9% and 11%, respectively. M&T’s rates of lending exceeded the aggregate’s rates in all years of the evaluation period by both number and dollar value of loans.

M&T’s one-to-four family HMDA loans continued to be the Bank’s primary consumer loan product during the evaluation period. Furthermore, the Bank’s 1-4 family HMDA loan volume increased by more than 30% compared to the prior evaluation period, mainly due to low mortgage interest rates during the evaluation period, which dropped even further in the first half of 2020 as the Federal Reserve Bank cut interest rates at the onset of the COVID-19 pandemic to manage the impact of the pandemic on the economy. This drop in mortgage rates resulted in a spike in mortgage refinances across the markets which is reflected in M&T’s 2021 and 2022 HMDA-reportable loan numbers shown in the table below.

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The following table provides a summary of the distribution of M&T’s one-to-four family loans by borrower income.

Distribution of One-to-Four Family Loans by Borrower Income									
2018									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	1,205	10.7%	78,862	4.8%	16,239	6.2%	2,032,505	2.6%	25.5%
Moderate	2,721	24.2%	249,259	15.1%	44,585	17.0%	6,938,575	8.7%	16.4%
LMI	3,926	35.0%	328,122	19.9%	60,824	23.2%	8,971,080	11.3%	41.9%
Middle	2,524	22.5%	313,887	19.0%	61,759	23.6%	13,018,055	16.4%	18.4%
Upper	3,959	35.3%	850,710	51.5%	128,279	49.0%	51,383,525	64.7%	39.7%
Unknown	821	7.3%	158,159	9.6%	11,115	4.2%	6,061,375	7.6%	
Total	11,230		1,650,877		261,977		79,434,035		
2019									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	1,111	9.8%	76,752	4.0%	17,554	6.1%	2,357,050	2.4%	25.5%
Moderate	2,347	20.7%	244,806	12.9%	48,847	17.1%	8,535,705	8.6%	16.4%
LMI	3,458	30.5%	321,558	16.9%	66,401	23.2%	10,892,755	11.0%	41.9%
Middle	2,403	21.2%	341,742	18.0%	66,839	23.4%	15,341,915	15.5%	18.4%
Upper	3,791	33.4%	916,703	48.3%	138,282	48.3%	63,912,480	64.7%	39.7%
Unknown	1,688	14.9%	317,863	16.7%	14,566	5.1%	8,703,810	8.8%	
Total	11,340		1,897,866		286,088		98,850,960		
2020									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	959	6.5%	76,486	2.5%	17,169	4.6%	2,563,725	1.9%	25.5%
Moderate	2,463	16.6%	319,286	10.4%	58,284	15.6%	11,888,210	8.7%	16.4%
LMI	3,422	23.0%	395,773	12.9%	75,453	20.2%	14,451,935	10.6%	41.9%
Middle	2,862	19.3%	502,561	16.4%	88,490	23.7%	23,344,470	17.1%	18.4%
Upper	4,755	32.0%	1,299,254	42.4%	189,161	50.6%	87,176,555	63.9%	39.7%
Unknown	3,810	25.7%	868,336	28.3%	20,437	5.5%	11,379,015	8.3%	
Total	14,849		3,065,925		373,541		136,351,975		
2021									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	1,140	7.7%	106,046	3.4%	22,649	5.1%	3,683,615	2.1%	25.6%
Moderate	2,937	19.8%	435,885	13.8%	73,008	16.6%	15,731,400	9.1%	16.4%
LMI	4,077	27.5%	541,931	17.1%	95,657	21.7%	19,415,015	11.3%	41.9%
Middle	3,354	22.6%	681,300	21.5%	106,535	24.2%	30,060,315	17.4%	18.4%
Upper	5,190	35.0%	1,575,545	49.8%	214,884	48.8%	109,213,010	63.4%	39.7%
Unknown	2,205	14.9%	364,323	11.5%	23,026	5.2%	13,604,950	7.9%	
Total	14,826		3,163,099		440,102		172,293,290		
GRAND TOTAL									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	4,415	8.5%	338,146	3.5%		5.4%		2.2%	
Moderate	10,468	20.0%	1,249,238	12.8%		16.5%		8.9%	
LMI	14,883	28.5%	1,587,384	16.2%	298,335	21.9%	53,730,785	11.0%	41.9%
Middle	11,143	21.3%	1,839,489	18.8%		23.8%		16.8%	
Upper	17,695	33.9%	4,642,212	47.5%		49.2%		64.0%	
Unknown	8,524	16.3%	1,708,680	17.5%		5.1%		8.2%	
Total	52,245		9,777,765		1,361,708		486,930,260		

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Of the total one-to-four family HMDA-reportable loans made to LMI borrowers during the evaluation period, 73.6% by number and 76% by dollar value of loans were made in the five MSAs and MDs listed in the table below.

Top 5 LMI Geography Concentration by MSA/MD - 1-4 Family and manufactured housing loans Inside the Assessment Area (2018-2021)				
MSA/MD	Loans (#) made to LMI Borrowers	%	Loans (\$) made to LMI Borrowers	%
15380 (Buffalo-Cheektowaga, NY)	5,711	38.4%	524,477	33.0%
35004 (Nassau-Suffolk, NY)	1,230	8.3%	299,680	18.9%
40380 (Rochester, NY)	2,445	16.4%	200,508	12.6%
35614 (New York-Jersey City-White Plains, NY-NJ)	608	4.1%	101,364	6.4%
45060 (Syracuse, NY)	954	6.4%	80,074	5.0%
Top 5 Subtotal	10,948	73.6%	1,206,103	76.0%
AA Total	14,883	100.0%	1,587,384	100.0%

b. Small Business Loans:

M&T's small business lending demonstrated an excellent distribution of loans among businesses of different revenue sizes.

In 2020 and 2021, M&T originated 13,426 and 9,502 SBA PPP loans in the amount of \$1.5 billion and \$845.2 million within the Bank's assessment area, respectively. The PPP loans were excluded from the analysis of the "Distribution of Small Business by Revenue Size of the Business" criterion, to avoid skewing the analysis, as PPP loans did not require the collection of revenue.

During the evaluation period, M&T originated 62.1% by number and 34.4% by dollar value of loans to businesses with gross annual revenue of \$1 million or less, which were well above the aggregate's rates of 40.6% and 23.3%, respectively. M&T's rates of lending exceeded the aggregate's rates each year of the evaluation period by number of loans and each year except for 2018 by dollar value of loans.

Both the Bank's and the aggregate's average lending rates to small businesses with gross revenue of \$1 million or less trailed the assessment area's business demographics of an average of 87.4% of businesses located within M&T's assessment area with gross revenue of \$1 million or less.

The following table provides a summary of the distribution of M&T's small business loans by the revenue size of the business.

MANUFACTURERS AND TRADERS TRUST – CRA PERFORMANCE EVALUATION

Distribution of Small Business Lending by Revenue Size of Business									
2018									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	2,967	57.6%	209,244	28.0%	206,219	41.4%	4,423,362	28.6%	84.8%
Rev. > \$1MM	2,100	40.8%	510,345	68.4%					6.7%
Rev. Unknown	80	1.6%	26,838	3.6%					8.5%
Total	5,147		746,427		498,497		15,476,959		
2019									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	3,893	61.4%	231,851	32.1%	242,867	45.9%	4,644,467	29.7%	86.4%
Rev. > \$1MM	2,273	35.8%	446,722	61.9%					5.8%
Rev. Unknown	178	2.8%	43,654	6.0%					7.8%
Total	6,344		722,227		529,529		15,628,877		
2020									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	2,746	63.3%	226,208	44.9%	204,064	36.0%	5,680,844	19.4%	89.1%
Rev. > \$1MM	1,534	35.4%	271,942	54.0%					4.5%
Rev. Unknown	55	1.3%	5,572	1.1%					6.4%
Total	4,335		503,722		567,275		29,340,473		
2021									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	3,186	66.6%	194,970	36.3%	253,633	39.7%	4,929,423	20.7%	89.1%
Rev. > \$1MM	1,399	29.3%	286,832	53.5%					4.5%
Rev. Unknown	197	4.1%	54,821	10.2%					6.4%
Total	4,782		536,623		638,652		23,845,221		
GRAND TOTAL									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	12,792	62.1%	862,273	34.4%	906,783	40.6%	19,678,096	23.3%	87.4%
Rev. > \$1MM	7,306	35.5%	1,515,841	60.4%					
Rev. Unknown	510	2.5%	130,885	5.2%					
Total	20,608		2,508,999		2,233,953		84,291,530		

Of the total small business loans originated to businesses with income of \$1 million or less, 70.9% by number and 76.1% by dollar value of loans were made in the five MSAs and MDs listed in the table below.

Top 5 LMI Geography Concentration by MSA/MD - SB Loans to Businesses With Rev. <= \$1MM				
Inside the Assessment Area (2018-2021)				
MSA/MD	Loans (#) made to Businesses with revenue of <=\$1 million	%	Loans (\$) made businesses with revenue of <=\$1 million	%
15380 (Buffalo-Cheektowaga, NY)	2,875	22.5%	183,305	21.3%
35004 (Nassau-Suffolk, NY)	805	6.3%	78,112	9.1%
35614 (New York-Jersey City-White Plains, NY-NJ)	2,203	17.2%	164,179	19.0%
40380 (Rochester, NY)	2,022	15.8%	145,198	16.8%
45060 (Syracuse, NY)	1,163	9.1%	85,214	9.9%
Top 5 Subtotal	9,068	70.9%	656,008	76.1%
AA Total	12,792	100.0%	862,273	100.0%

MANUFACTURERS AND TRADERS TRUST – CRA PERFORMANCE EVALUATION

5. Community Development Lending: Outstanding

During the evaluation period, M&T originated \$3.5 billion in new community development loans and had \$225.7 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.²

M&T's new community development loans originated during the evaluation period primarily focused on community services supporting healthcare facilities providing medical services primarily to Medicaid recipients, including much needed COVID-19 testing and vaccines for LMI individuals and families. These loans accounted for 44.5% by dollar value of the Bank's new community development loans originated during the evaluation period. M&T's other community development loans mainly supported revitalization/stabilization of LMI geographies in the Bank's assessment area and affordable housing projects, including complex LIHTC projects providing affordable housing for LMI individuals and families. The remaining community development loans supported economic development in the Bank's assessment area.

As a part of the CRA performance evaluation, the Department considers, in accordance with DFS's Industry Letter, "Updated Final Guidelines for Bank Lending to Multifamily Properties Under the Community Reinvestment Act," issued December 4, 2014, whether a bank has met its responsibility to ensure that a multifamily loan submitted for affordable housing or neighborhood revitalization qualifies for CRA credit by contributing to and not undermining the availability of affordable housing or neighborhood conditions. Accordingly, DFS disqualified the following multifamily loans submitted by M&T for CRA credit: Two multifamily construction loans totaling \$26.7 million in New York City with an unacceptably high scores in the University Neighborhood Housing Program's Building Indicator Project ("BIP") database which indicated that the financed properties were in significant physical or financial distress, and therefore did not promote or provide affordable housing; and one multifamily community development loan in New York City in the amount of \$6 million due to lack of current rent rolls.

Community Development Loans				
Purpose	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Loans	\$000	# of Loans	\$000
Affordable Housing	93	812,745	3	4,842
Economic Development	35	82,683	6	18,367
Community Services	200	1,539,053	51	121,288
Revitalization/Stabilization	237	1,023,707	9	81,164
Total	565	3,458,188	69	225,661

M&T's community development lending activities by MSA/MD or non-MSAs including outside its assessment area in New York are shown in table below. The community development loans in these areas reflected a mix of qualified community development purposes and loan products demonstrating responsiveness to the credit needs of the various regions in M&T's assessment area.

² For analysis purposes, renewals of lines of credit that occur during the evaluation period are considered new extensions of credit. However, the level of lending is reviewed across the period of the Evaluation.

MANUFACTURERS AND TRADERS TRUST – CRA PERFORMANCE EVALUATION

Community Development Loans				
MSA/MD	# Loans	%	\$000	%
35614 - New York-Jersey City-White Plains (Bronx, Kings, New York, Putnam, Queens, Richmond, Rockland & Westchester)	164	28.9%	1,423,948	41.2%
15380 - Buffalo-Cheektowaga, NY (Erie & Niagara)	94	16.5%	529,652	15.3%
40380 - Rochester (Livingston, Monroe, Ontario, Orleans & Wayne)	70	12.4%	378,682	11.0%
10580 - Albany-Scenectady-Troy (Albany, Rensselaer, Saratoga & Schenectady)	48	8.5%	375,783	10.9%
35004 - Nassau-Suffolk (Nassau & Suffolk)	67	11.9%	202,147	5.8%
13780 - Binghamton, (Broome & Tioga)	13	2.3%	136,247	3.9%
39100 - Poughkeepsie-Newburgh-Middletown, NY (Dutchess & Orange)	39	6.9%	105,068	3.0%
45060 - Syracuse (Madison & Onondaga)	24	4.2%	60,812	1.8%
46540 - Utica-Rome (Herkimer & Oneida)	10	1.8%	35,876	1.0%
Non-MSA (Allegany, Cattaraugus, Cayuga, Chautauqua, Chenango, Cortland, Genesee, Seneca, Steuben, Sullivan & Wyoming)	11	1.9%	30,287	0.9%
27060 - Ithaca (Tompkins)	4	0.7%	18,447	0.5%
21300 - Elmira (Chemung)	1	0.2%	4,542	0.1%
28740 - Kingston (Ulster)	2	0.4%	4,161	0.1%
NYS - Outside AA	19	3.4%	152,536	4.4%
Total	565	100.0%	\$3,458,188	100.0%

Below are highlights of M&T’s community development lending.

Affordable Housing

M&T originated 93 loans totaling \$812.7 million for affordable housing during the evaluation period. These loans consisted of various commercial mortgages, construction loans, LIHTC projects, and loans for acquisition and rehabilitation of existing properties to create and preserve affordable housing in the Bank’s assessment area.

- The Bank extended a \$52 million letter of credit to secure tax-exempt bonds issued by a New York State agency for the development of a 255-unit affordable housing project located in a low-income tract in a borough of New York City. 153 supportive units (rents funded by vouchers) will house formerly homeless individuals and families living with HIV/AIDS; nine units are reserved for households earning less than 40% of area median income (“AMI”); 17 units are reserved for households earning less than 50% of AMI; and the remaining 75 units are reserved for households earning less than 60% of AMI.

- M&T extended a \$41.3 million letter of credit in support of a LIHTC construction project which will have 150 units of affordable rental housing for general occupancy and special needs households in Erie County. The project includes 50 units targeted to households earning up to 60% of AMI and 100 units are set aside for households or individuals with serious mental illness or other special needs.
- The Bank originated a \$22.3 million LIHTC loan that supports the rehabilitation and construction of 65 affordable housing units in a low-income census tract in Erie County. The project will contain 23 units for tenants at or below 30% AMI, 31 units for tenants at or below the 50% AMI, and 11 units for tenants at or below 60% AMI. Thirty-three units are set aside as permanent supportive housing units for current or formerly homeless veterans.
- M&T originated a \$7.9 million loan for the development of a single three-story senior affordable housing building with 45 apartment units (43 one-bedroom apartments and 2 two-bedroom apartments) located in a low-income census tract in Monroe County. The property will offer 11 units at monthly rents up to 30% of AMI, 26 units at monthly rents up to 50% of AMI and eight units funded with Section 8 housing vouchers.

Community Services

M&T extended 200 community development loans totaling \$1.5 billion for the primary purpose of community services.

- M&T originated a \$49.4 million construction/permanent mortgage loan to construct a building in a low-income census tract in a borough of New York City. The building will house a charter school for pre-kindergarten through fifth grade and will receive annual rental subsidies from local government. The majority of the charter school student population is projected to qualify for the free- or reduced-lunch program.
- The Bank also originated construction/permanent mortgage loans for two charter schools totaling \$32.5 million in LMI census tracts in Bronx County. Majority of both charter schools' student population qualify for free or reduced lunch.
- M&T originated a \$28.8 million construction/permanent mortgage loan to fund the conversion of an existing hotel into a 200-bed assisted living healthcare facility in Rockland County that is Assisted Living Program certified and provides care to Medicaid-eligible persons.
- The Bank extended a \$9 million line of credit that provided liquidity for the operations of a healthcare facility that offers acute COVID-19 services primarily to Medicaid patients. Services included numerous pop-up sites for COVID-19 testing at the height of the pandemic.
- M&T extended a \$4 million line of credit used as working capital for an organization that provides mental, behavioral, health and education services to children and their families. The organization provides in-house and site-based services to people in LMI geographies in the Hudson Valley region. More than 80% of the organization's revenues are derived from Medicaid and state government grants.

Economic Development

M&T extended 35 economic development loans totaling \$82.7 million during the evaluation period. Highlights are as follows:

- M&T originated a \$6.1 million commercial mortgage loan under the SBA 504 loan program to support expansion and equipment financing of a commercial printing company in Monroe County. This will help maintain and create jobs for LMI individuals in the area.
- The Bank renewed a \$5.4 million line of credit to an economic development company that provides credits to small businesses in New York State via the SBA 504 loan program and other loan programs, including working capital loans starting at \$25,000.
- M&T originated a \$1.4 million construction/permanent mortgage loan under the SBA 504 loan program, for the expansion and development of a small business operation located in a moderate-income tract in Monroe County. The company specializes in mechanical, electrical, plumbing design, engineering, and technology services, providing temporary and permanent jobs to LMI individuals.
- M&T originated a \$1.5 million term loan in support of the NY Forward Loan Fund. The fund is an economic recovery loan program, after COVID-19 pandemic, aimed at supporting New York State's small businesses, nonprofits and small landlords that did not have access to PPP loans or to the Economic Injury Disaster Loan program funded by the SBA. The fund is in partnership led by New York State with support from Local Initiative Support Corporation Fund Management, the Community Reinvestment Fund and Calvert Impact Capital. Funds are made available to small businesses throughout New York State.

Revitalization and Stabilization

M&T originated 237 loans in the total amount of \$1 billion to corporations, nonprofit and community organizations in support of revitalization and stabilization projects in LMI geographies throughout its assessment areas. Highlights are as follows:

- M&T, in 2020 and 2021, originated 193 PPP loans totaling \$413.9 million that qualified as community development loans (small business loans in amounts over \$1 million), within the Bank's assessment area. These loans were made to various small businesses located in LMI census tracts providing much-needed funding to these businesses during the COVID-19 pandemic and helping to stabilize these areas.
- M&T originated a \$25.5 million construction loan and a \$6 million line of credit to fund the rehabilitation and redevelopment of a historic landmark building located in a low-income tract in Monroe County. The project is part of a larger effort to revitalize and stabilize the area.

a. Flexible and/or Innovative Lending Practices:

M&T made extensive use of flexible or innovative lending practices. M&T offers a wide range of innovative loan programs including loans through New York State and the federal government and partnerships with nonprofit organizations to assist first-time homebuyers and LMI homeowners

with affordable home financing options.

M&T's Residential and Consumer Loan Programs

- **Home Starter Mortgage and Get Started (ended as of July 21, 2021) loan programs** - These programs are targeted at borrowers purchasing a residence in a specified LMI census tract in M&T's designated areas or whose income is at or below 80% of the HUD area median income. There are no income restrictions for loans in designated areas. The program offers a competitive interest rate, a low 3% down payment, no borrower paid mortgage insurance premium with the flexibility to finance most closing costs. From 2018 to 2021, the Bank originated 362 loans totaling \$2.6 million through these programs.
- **Grant Program** - Grant funds are available to customers purchasing primary residences located in LMI census tracts or when the borrower's income is at or below 80% of the HUD AMI within specific eligible counties.
- **Retail Unsecured Loan Product** - M&T's unsecured loan product is suited for customers seeking debt consolidation or home improvements who cannot obtain financing through a home equity line of credit ("HELOC") due to lack of home equity. The loan product allows for consumer with FICO scores as low as 640; and offers terms up to 84 months for loans over \$15,000 and 60 months for loans under \$15,000. From 2018 to 2021, M&T originated 18,902 unsecured loans totaling \$220 million via this program.
- **Retail Secured Credit Card** - This consumer credit product provides individuals who do not currently qualify for an unsecured retail credit card, the ability to build or rebuild their credit. The account requires a security deposit held in a M&T personal savings account equal to the credit line amount (\$250 to \$5,000). From 2018 to 2019, M&T originated a total of 2,559 secured credit cards with credit lines totaling \$875,000. As of December 31, 2021, 89% of secured credit card customers had no FICO score at time of application or a FICO score below 640. In May 2020, M&T expanded its credit policy to allow nonresident aliens with valid social security numbers to be eligible for the secured credit card. Furthermore, M&T is working on expanding eligibility to include nonresident aliens with individual taxpayer identification numbers.

M&T's Small Business Lending Products

M&T has a range of lending products/programs to aid the credit needs of small businesses and support economic development, offering flexible terms and innovative underwriting processes. The following are examples of these products:

- **Small Business Credit Card** - In June of 2018, M&T introduced a revolving credit account that offers small business owners, including nonprofit organizations, the opportunity to address short term cash flow needs. The account features credit limits as low as \$2,000, no annual fee, a 12-month introductory rate of 0% on purchases and balance transfers, a cash back reward option, and provides overdraft protection.
- **QuickApp Underwriting Process** - M&T offers a streamlined underwriting process for small business loans up to \$100,000. Under the program, the underwriting is based on FICO Small Business Scoring Service and other factors such as ownership history. Financials or tax returns are not required. The streamlined underwriting process allows the Bank to shorten the application timeline and provide faster funding.

- ***Business Access Line of Credit (“BALOC”)*** - The revolving account is designed to help small businesses gain immediate funds to address working capital needs, purchase inventory or equipment, and other financial opportunities. The BALOC provides for credit lines between \$5,000 and \$950,000, no out-of-debt requirement, always allowing an outstanding balance, multiple convenient ways to access funds through direct loan checks, ATM transfers and withdrawals, telephone banking, and web banking services. From 2018 to 2021, M&T originated 4,607 of this credit line totaling \$470.4 million.
- ***Express BALOC*** - Best suited for businesses with less than \$1 million in annual sales and serving as an alternative for credit lines up to \$100,000. There is no requirement to submit financial statements. However, a personal guarantee of the business owner is required. From 2018 to 2021, M&T originated 2,154 with a dollar volume totaling \$114 million from this program.
- ***SBA Express Business Access Line of Credit*** - This lending product serves as an alternative option for businesses that do not qualify for conventional financing. The credit line terms include a four-year interest only period, followed by a six-year principal and interest period, fully amortizing over the six-year period, and 50% of the loan amount is guaranteed by the SBA. Customers would apply a one-time SBA fee depending on the size of their loan. From 2018 to 2021, M&T originated 679 of this credit line type totaling \$33.1 million.
- ***SBA 504 Loan Program*** - M&T continues to be designated by the SBA as a preferred lender and was one of SBA’s top 504 lenders in New York State during the evaluation period. This program offers financing for qualified small businesses that may not be eligible for traditional bank financing. From 2020 to 2022, the Bank partnered with the New York Business Development Corporation (“NYBDC”), Greater Syracuse Business Development Corp, Monroe County Industrial Development Corp., Rochester Economic Development Corp, Business Initiative Corp. of New York, and Operation Oswego County, Inc. to issue SBA 504 loans in New York State. From 2020 to 2022, M&T originated 164 of the SBA 504 loans totaling \$143 million.
- ***SBA 7(a) Program*** - The SBA 7(a) Program provides term loans for small businesses. The loan program offers smaller down payments, flexible terms that assist in opening, expanding, and continuing small businesses, long-term financing options, fixed rate maturity, and no prepayment penalties.
- ***SBA Payment Protection Program (“PPP”)*** – PPP loans are administered by the SBA as part of the Coronavirus Aid, Relief, and Economic Security Act. PPP loans are designed to support the basic operating needs of small businesses, including rent, utilities, and payroll during the economic hardship resulting from the pandemic. PPP loans offer below market interest rates, extended payment deferrals, no origination fees, and no collateral requirements.
- ***NYS Linked Deposit Program (“LDP”)*** - LDP assists existing New York State firms obtain reduced rate financing to make investments and undertake eligible projects that will improve their productivity, performance, and competitiveness by reducing their cost of capital through interest subsidies. Eligible borrowers include manufacturing firms with 500 or fewer full-time employees or service businesses independently owned and operated with 100 or fewer full-time employees, including those businesses located in a highly distressed census tract.

- ***New York Business Development Corporation (“NYBDC”)*** – M&T continues to partner with NYBDC in providing financing to small businesses particularly start-ups, minority and women-owned businesses, which do not meet the requirements for traditional financing. Financing typically includes SBA loan guarantees and participations with flexible and long-term amortizations.

State of New York Mortgage Agency (“SONYMA”) Mortgage Programs

SONYMA is a public-benefit corporation created by the State of New York designed to make purchases more affordable for low-income, first-time homebuyers and offer other types of low-cost financing for down-payment assistance and home improvements and renovations. From 2018 to 2021, M&T originated more than 500 loans through SONYMA’s loan programs, which include:

- ***Achieving the Dream Program*** - Offers eligible low-income, first-time homebuyers a mortgage with a low-down payment, no points, and a low fixed interest rate.
- ***Down Payment Assistance Loan*** - Provides down payment assistance with a zero-interest loan, no monthly payments and loan forgiveness after 10 years. The minimum loan amount is \$1,000 and the maximum is 3% of the purchase price up to a maximum of \$15,000.
- ***Habitat for Humanity Mortgage Program*** - Provides low interest rate mortgages and closing cost assistance to first-time homebuyers purchasing a home built by Habitat for Humanity. Borrowers can have annual income up to either 80% of the AMI in their region or 80% of the statewide median income, whichever is higher.
- ***Neighborhood Revitalization Program*** - Provides up to \$20,000 in assistance to borrowers purchasing a home in targeted areas as set by SONYMA. The funds are to be used to make necessary repairs or renovations as determined by the agency. The program was designed to restore homes and revitalize communities impacted by foreclosure.

Federal National Mortgage Association (“Fannie Mae”)

Fannie Mae is a provider of mortgage financing by purchasing mortgages from lenders like M&T to free up funds to make other mortgage loans, therefore ensuring the ongoing availability of affordable mortgages, especially in underserved communities. These loan programs are as follows:

- ***HomeReady*** - Designed for LMI borrowers, particularly those with income that is less than 80% of the HUD AMI. The program provides affordable, conventional financing with low down payments, flexible source of funds, and innovative underwriting flexibility, including expanded eligibility (up to 97% loan-to-value) for financing homes in low-income communities.
- ***HomeReady Home Style*** - Allows homebuyers to finance either the purchase or refinance of the mortgage and the cost of its rehabilitation through a single mortgage.
- ***Home Possible*** - Designed primarily for borrowers whose income is low or moderate and allows high loan-to-value purchase and refinance transactions for borrowers whose qualifying income is at or below 80% of the AMI.

Federal Home Loan Bank of New York (“FHLBNY”)

M&T participated in the following loan programs offered by the FHLBNY:

- **Homebuyer Dream Program** - Provides funds in the form of a grant to be used towards down payment and closing cost assistance to first-time homebuyers earning at or below 80% of the AMI and purchasing homes in New York; and
- **The First Home Club Program** - Consists of a grant that provides down payment and/or closing cost assistance to income eligible first-time homebuyers. The program is a savings program for first-time homebuyers that matches funds saved by the homebuyer at a rate of \$4 for every \$1 saved, up to a total of \$7,500.

Low Income Housing Tax Credit (“LIHTC”)

M&T participated in affordable housing LIHTC projects during the current evaluation period, some of which were through direct investments or loan participations with other institutions. LIHTC projects provide tax incentives to lenders to finance and invest in the development, acquisition, and rehabilitation of affordable rental housing. These tax credit investments, sponsored by federal, state, and local housing authorities, require most of the units in properties to be designated as affordable or reserve units for renters earning below 60% of the area’s AMI.

U.S. Department of Veteran’s Affairs (“VA”) and Federal Housing Authority (“FHA”)

FHA and VA insured loans feature below market rates for borrowers purchasing or refinancing in an LMI census tract in M&T designated areas or whose income is at or below 80% of the HUD Median Area Income.

United States Department of Agriculture (“USDA”)

USDA purchase mortgage loans generally do not have a down payment requirement and mortgage refinancing up to 100% of property value and are available in rural areas for borrowers with household income below the AMI. The program requires an upfront-guarantee fee that can be financed and monthly mortgage insurance.

Monroe County’s Home Improvement Program (“HIP”)

Under the HIP program, Monroe County provides a one-time grant and low-interest loan up to \$20,000 to income-eligible homeowners for qualified home repairs and improvements. If eligible, the county will refer the customer to M&T where the application is taken and underwritten by M&T and the loan funded by Monroe County. From 2018 to 2020, M&T originated 23 loans under this loan program totaling \$74.9 million.

New York Energy Smart Loan Fund Program (“NYESLF”)

M&T participates in a loan fund program administered by the New York State Energy Research and Development Authority. Under this program, homeowners of one-to-four family residential properties are eligible for reduced interest rate loans up to \$25,000 and with terms up to 15 years for energy efficiency improvements or renewable energy installations at their property. The loans are provided by lending institutions that participate in the fund and financing is available for borrowers with FICO scores below 600.

B. Investment Test: High Satisfactory

The Department evaluated M&T’s investment performance pursuant to the following criteria:

(1) The dollar amount of qualified investments;

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- (2) *The innovativeness or complexity of qualified investments; and*
 (3) *The responsiveness of qualified investments to the credit and community development needs of the assessment area.*

1. Qualified Investments

During the evaluation period, M&T made \$520.8 million in new qualified investments and had \$144.1 million outstanding from prior evaluation periods. In addition, M&T made \$27.3 million in qualified grants. This demonstrated a significant level of qualified investments and grants over the course of the evaluation period.

M&T’s total qualified investments, including outstanding investments from prior periods, totaled \$664.9 million for the current evaluation period (4.5 years). While deemed a significant level, this represented a decrease of \$189.9 million or 22.2% from the prior evaluation period’s (4 years) total of \$854.8 million. This was mainly due fewer investment opportunities during the COVID pandemic as many community projects were interrupted, halted, suspended, or closed. The Bank’s level of qualified grants of \$27.3 million increased from the \$22.7 million at the prior evaluation.

The majority of M&T’s qualified investments supported affordable housing and included LIHTC investments for new construction and rehabilitation of multifamily apartment buildings providing affordable housing for LMI individuals and families and the homeless.

Community Development Investments and Grants					
	This Evaluation Period			Outstanding from Prior Evaluation Periods	
	#	\$000	%	#	\$000
CD Investments					
Affordable Housing	51	397,722	76.4%	44	79,355
Economic Development	12	2,253	0.4%	1	4,294
Community Services	25	120,822	23.2%	3	60,408
Revitalization/Stabilization	0	0	0.0%	0	0
Total	88	520,797	100.0%	48	144,057
CD Grants	#	\$000		<i>Not Applicable</i>	
Affordable Housing	292	3,819	14.0%		
Economic Development	145	5,839	21.4%		
Community Services	1,229	12,817	46.9%		
Revitalization/Stabilization	112	4,834	17.7%		
Total	1,778	27,309	100.0%		

Affordable Housing

- M&T invested \$12.3 million in Government National Mortgage Association and Federal National Mortgage Association issued mortgage-backed securities with underlying residential mortgages to LMI borrowers having incomes below 80% of their respective area’s median family income.

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- The Bank invested \$25.2 million to rehabilitate a vacant, former public school building in Erie County, as well as construct 12 homes, for a total of 65 affordable housing units for homeless veterans. This is a LIHTC project.
- M&T made a \$16.9 million LIHTC investment to create 85 affordable residential units located across multiple sites. The project will include 26 units set aside for the Empire State Supportive Housing Initiative (“ESSHI”) to be occupied by formerly homeless individuals and families, which will also receive on-site supportive services for substance abuse disorder and mental illness.
- The Bank made a \$16.2 million LIHTC investment for the historic preservation and conversion of a former faith-based school in Erie County, into a 42-unit affordable and supportive housing property. This project will create the county’s first permanent supportive housing program for survivors of domestic violence and complement its domestic violence emergency shelters, transitional housing, and rapid rehousing services.

Community Service

- M&T invested in a \$76.1 million tax-exempt municipal bond to finance the modernization and renovation of an existing 124-bed licensed pediatric skilled nursing facility in Queens County. The facility is considered an “essential service provider” that provides extraordinary level of care, support and rehabilitation needs for vulnerable children and young adults who are mostly Medicaid recipients.
- The Bank purchased an \$11.5 million tax-exempt municipal bond to finance the acquisition of a building to be converted into a 160-unit assisted living facility in Orange County. The assisted living facility will serve those who are medically eligible for nursing home replacement, but will serve them in a less medically intensive, lower-cost setting. Most of the facility’s patients are projected to be Medicaid recipients.
- M&T invested \$9.8 million in a bond anticipation note issued by a school district in Dutchess County, in which a majority (68%) of the student population qualify for the free or reduced lunch program.
- The Bank made a \$7 million investment in an NMTC project that funds the construction of a Federally Qualified Health Center (“FQHC”). The FQHC will be in a county in Upstate New York with one of the highest percentages of population living in poverty in New York State. The center will serve an area and a population that is deemed underserved and provide comprehensive health services with fees charged based on a patient’s ability to pay.

The table below shows M&T’s new qualified investments (excluding grants) made during the current evaluation period by percentage of dollar value in each of the MSA/MD, non-MSA including outside of the assessment area that the Bank made in New York State.

MANUFACTURERS AND TRADERS TRUST – CRA PERFORMANCE EVALUATION

Community Development Investments			
MSA/MD	This Evaluation Period		
	#	\$000	%
15380 - Buffalo-Cheektowaga-Niagara Falls (Eric & Niagara)	19	195,860	37.6%
35614 - New York-Jersey City-White Plains (Bronx, Kings, New York, Orange, Queens, Richmond, Rockland & Westchester)	31	147,498	28.3%
13780 - Binghamton (Broome & Tioga)	2	29,227	5.6%
39100 - Poughkeepsie (Newburgh, Middletown)	2	21,281	4.1%
45060 - Syracuse (Madison & Onondaga)	4	23,475	4.5%
40380 - Rochester (Livingston, Monroe, Ontario, Orleans & Wayne)	6	20,675	4.0%
10580 - Albany (Albany, Rensselaer, Saratoga & Schenectady)	4	17,599	3.4%
35004 - Nassau-Suffolk (Nassau & Suffolk)	4	12,916	2.5%
27060 - Ithaca (Tompkins)	2	15,506	3.0%
48060 - Watertown-Fort Drum (Jefferson)	0	0	0.0%
NYS - Outside AA	1	7,000	1.3%
28740 - Kingston (Ulster)	1	1,000	0.2%
Non-MSA	12	28,761	5.5%
Total	88	520,798	100%

Below are highlights of M&T's community development grants.

Affordable Housing

- M&T donated \$140,000 to an organization that develops affordable housing units primarily in LMI areas in Kings County. The organization also provides educational and social services to help strengthen the community.
- The Bank made an \$80,000 contribution to an organization that promotes homeownership for minority immigrants low- and moderate-income, and underserved households in New York City by providing homeowner counseling, homeowner education, downpayment assistance and low-interest loans to homeowners to make repairs and home improvements.

Community Services

- M&T made a grant of \$175,000 to a school organization in Erie County that provides educational preparation programs to talented, under-represented, low-income students.
- The Bank donated \$100,000 to an organization that provides various services primarily to low-income residents in Bronx County. The services include food accessibility and affordability programs, education programs and public health programs.

- M&T donated \$50,000 towards a scholarship program that helps LMI students with school expenses. The vast majority of students come from communities where families earn less than \$20,000 per year.

Economic Development

- M&T donated \$1.5 million to a partnership fund created by a group of foundations, community organizations and private corporations to help minority and women entrepreneurs and small business owners in underserved LMI communities in Western New York. The organization offers technical assistance, accessible and flexible capital, and funding to assist with the launch, growth, and sustainability of a small business.
- The Bank made a \$100,000 grant to an organization that provides support to small businesses generally with five or fewer employees, mostly mom and pop establishments located in LMI communities within Erie County, that were negatively impacted by the pandemic. The organization provided micro loans, disaster relief loans, working capital, and much needed funds for rent relief and assistance.

Revitalize and Stabilize

- M&T made grants totaling \$2.7 million to a nonprofit organization in support of the construction of a school campus in a moderate-income tract in Erie County. The school will help revitalize the area, create jobs, and provide education to mostly LMI children.
- M&T contributed \$100,000 to a nonprofit organization headquartered in moderate-income tract in Bronx County. The organization provides steady employment and assists other community organizations to help improve their community.

2. Innovativeness of Qualified Investments:

M&T made significant use of innovative and complex investments to support community development.

M&T's qualified investments included a \$1.5 million grant to set up a partnership fund to provide funding to local and minority- and women-owned businesses that could not receive funding during the pandemic. M&T also made qualified investments in a NMTC project for an FQHC facility, many LIHTC projects and investments in SBICs. LIHTC and NMTC are complex investments that require significant financial reporting and ongoing monitoring to ensure compliance with federal and state tax laws and regulations. In addition, M&T invested in certificates of deposits to five CDCUs that primarily serve underbanked and underserved LMI individuals and LMI geographies in the Bank's assessment area.

3. Responsiveness of Qualified Investments to Credit and Community Development Needs:

M&T's qualified investments exhibited good responsiveness to the assessment area's credit and community development needs.

M&T made qualified investments in a multi-unit LITHC project providing affordable housing units, mortgage-backed securities with underlying mortgages to LMI borrowers, in SBICs providing support for small businesses and deposits in CDCUs serving underbanked and underserved LMI communities. In addition, the Bank made 1,778 grants totaling \$27.3 million to various nonprofit and community organizations supporting community development.

C. Service Test: Outstanding

The Department evaluated M&T’s retail service performance pursuant to the following criteria:

- (1) The current distribution of the banking institution’s branches;
- (2) The institution’s record of opening and closing branches;
- (3) The availability and effectiveness of alternative systems for delivering retail services; and
- (4) The range of services provided.

The Department evaluated M&T’s community development service performance pursuant to the following criteria:

- (1) The extent to which the banking institution provides community development services; and
- (2) The innovativeness and responsiveness of community development services.

1. Retail Banking Services: Outstanding

M&T has an excellent branch network, delivery systems, branch hours and services, and alternative delivery systems, including as it relates to LMI individuals.

a. Current distribution of the banking institution’s branches:

M&T has an excellent distribution of branches within its assessment area. As of the date of this evaluation, M&T operated a total of 270 full-service (including two in-store branch offices and six business banking centers) and five limited-service branch offices in New York State. Of the 270 full-service branches, 56 or 20.7% are in LMI census tracts, 204 or 75.6% are in middle- and upper- income census tracts, and 10 or 3.7% are in census tracts in which the income level is unknown.

The Bank offers extended evening hours at 95 of its full-service branches, of which 15 are in LMI census tracts and 126 full-service branches offer Saturday hours, of which 20 are in LMI census tracts. Of M&T’s 270 full-service branches, 190 offer drive-up services with convenient hours to customers and 30 of these branches are in LMI census tracts.

The following table shows information regarding branch, onsite and off-site ATM locations:

MANUFACTURERS AND TRADERS TRUST – CRA PERFORMANCE EVALUATION

Distribution of Branches and Offsite ATMs as of 3/31/2023												
MSA or MD	County Name	Branches			Onsite ATM Locations			Offsite ATM Locations			Total	
		Total #	Low	Mod	LMI	Total #	Low	Mod	Total #	Low	Mod	LMI branch and offsite ATMs
	Albany	5	0	0	0.0%	6	0	0	2	1	1	28.6%
	Rensselaer	4	0	1	25.0%	4	0	1	0	0	0	25.0%
	Saratoga	1	0	0	0.0%	1	0	0	1	0	0	0.0%
	Schenectady	1	0	0	0.0%	1	0	0	0	0	0	0.0%
10580	Albany/Sch/Troy	11	0	1	9.1%	12	0	1	3	1	1	21.4%
	Broome	10	2	2	40.0%	19	2	2	5	1	2	46.7%
	Tioga	1	0	0	0.0%	1	0	0	0	0	0	0.0%
13780	Binghamton	11	2	2	36.4%	20	2	2	5	1	2	43.8%
	Erie	43	6	5	25.6%	94	6	5	71	3	15	25.4%
	Niagara	5	0	2	40.0%	8	0	2	9	0	3	35.7%
15380	Buffalo-Cheektowaga	48	6	7	27.1%	102	6	7	80	3	18	26.6%
	Chemung	1	0	0	0.0%	1	0	0	0	0	0	0.0%
21300	Elmira	1	0	0	0.0%	1	0	0	0	0	0	0.0%
	Tompkins	2	0	0	0.0%	3	0	0	3	0	0	0.0%
27060	Ithaca	2	0	0	0.0%	3	0	0	3	0	0	0.0%
	Ulster	5	0	1	20.0%	5	0	1	0	0	0	20.0%
28740	Kingston	5	0	1	20.0%	5	0	1	0	0	0	20.0%
	Nassau	7	0	1	14.3%	9	0	1	23	1	1	10.0%
	Suffolk	37	0	8	21.6%	44	0	9	33	0	7	21.4%
35004	Nassau/Suffolk	44	0	9	20.5%	53	0	10	56	1	8	18.0%
	Bronx	1	0	1	100.0%	1	0	1	0	0	0	100.0%
	Kings	3	1	0	33.3%	5	2	0	3	1	0	33.3%
	New York	9	0	0	0.0%	20	0	0	1	1	0	10.0%
	Putnam	2	0	0	0.0%	2	0	0	0	0	0	0.0%
	Queens	2	0	0	0.0%	2	0	0	4	0	0	0.0%
	Richmond	4	0	0	0.0%	4	0	0	0	0	0	0.0%
	Rockland	8	1	1	25.0%	9	1	2	0	0	0	25.0%
	Westchester	16	0	2	12.5%	18	0	2	1	0	0	11.8%
35614	New York	45	2	4	13.3%	61	3	5	9	2	0	14.8%
	Dutchess	11	0	2	18.2%	11	0	2	0	0	0	18.2%
	Orange	7	0	2	28.6%	8	0	2	4	0	4	54.5%
39100	Poughkeepsie-Newburgh-Middletown	18	0	4	22.2%	19	0	4	4	0	4	36.4%
	Livingston	1	0	0	0.0%	1	0	0	0	0	0	0.0%
	Monroe	24	3	3	25.0%	43	4	6	30	3	5	25.9%
	Ontario	1	0	0	0.0%	1	0	0	0	0	0	0.0%
	Orleans	1	0	1	100.0%	1	0	1	0	0	0	100.0%
	Wayne	0	0	0	0.0%	0	0	0	1	0	0	0.0%
40380	Rochester	27	3	4	25.9%	46	4	7	31	0	0	12.1%

MANUFACTURERS AND TRADERS TRUST – CRA PERFORMANCE EVALUATION

Distribution of Branches and Offsite ATMs as of 3/31/2023												
MSA or MD	County Name	Branches			Onsite ATM Locations			Offsite ATM Locations			Total LMI branch and offsite ATMs	
		Total #	Low	Mod	LMI	Total #	Low	Mod	Total #	Low		Mod
	Madison	2	0	0	0.0%	2	0	0	0	0	0	0.0%
	Onondaga	25	2	2	16.0%	34	2	3	6	1	0	16.1%
45060	Syracuse	27	2	2	14.8%	36	2	3	6	1	0	15.2%
	Herkimer	4	0	2	50.0%	6	0	3	0	0	0	50.0%
	Oneida	7	0	1	14.3%	15	0	3	2	0	0	11.1%
46540	Utica-Rome	11	0	3	27.3%	21	0	6	2	0	0	23.1%
	Allegany	0	0	0	0.0%	0	0	0	1	0	0	0.0%
	Cattaraugus	2	0	0	0.0%	3	0	0	6	0	0	0.0%
	Cayuga	1	0	0	0.0%	2	0	0	1	0	0	0.0%
	Chautauqua	7	1	1	28.6%	7	0	1	4	0	1	27.3%
	Chenango	1	0	0	0.0%	1	0	0	0	0	0	0.0%
	Cortlandt	1	0	0	0.0%	1	0	0	0	0	0	0.0%
	Genessee	2	0	1	50.0%	2	0	1	3	0	0	20.0%
	Seneca	1	0	0	0.0%	1	0	0	0	0	0	0.0%
	Steuben	1	0	0	0.0%	1	0	0	1	0	1	50.0%
	Sullivan	2	0	1	50.0%	2	0	1	0	0	0	50.0%
	Wyoming	2	0	0	0.0%	3	0	0	1	0	0	0.0%
Non-MSA		20	1	3	20.0%	23	0	3	17	0	2	16.2%
Total		270	16	40	20.7%	402	17	49	216	9	35	20.6%

b. Record of opening and closing branches:

M&T's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and/or LMI individuals.

M&T, through the acquisition of PUB, obtained 45 full-service branches in New York State, helping the Bank to expand its presence in New York City, Long Island and Westchester and Rockland counties. The Bank closed four of the branches, none of which were located in LMI census tracts, and converted the remaining 41 to full-service M&T branches. All of these branches are located in MSA 35614 (three in New York County, two in Rockland County, four in Westchester County) and MSA 35004 (three in Nassau County and 29 in Suffolk County). Seven of the 41 branches are in moderate-income census tracts, one in Rockland County and six in Suffolk County.

M&T closed another 12 full-services branches during the period from October 1, 2018 to March 31, 2023, excluding the four branches obtained through the acquisition of PUB and subsequently closed, as noted above. The closed branches included two branches located in moderate-income census tracts- one each in Mount Kisco, Westchester County and Armenia, Dutchess County. It also included M&T's last branch office in Jefferson County. M&T removed Jefferson County from its assessment area in 2020. The Bank also relocated four full-service branches during the evaluation period- one each in New York, Westchester, Onondaga, and Erie counties.

c. Availability and effectiveness of alternative systems for delivering retail services:

M&T's delivery systems are readily accessible to significant portions of the Bank's assessment area, including LMI geographies and individuals.

M&T has the following alternative delivery systems:

- **ATMs** - In New York State, M&T operates 618 ATMs, of which 402 ATMs are located at 270 M&T branch offices. The 216 offsite ATMs are located at hospitals, colleges, gas stations, and convenience stores. M&T, in addition to Spanish and English, has added Chinese and Korean to the available list of languages on all its ATMs.
- **Internet Banking** – M&T offers internet banking services or digital banking through its website. Customers can view their accounts, pay bills, transfer funds, and complete transactions online. The website allows customers to get information about products and services, initiate residential home loan applications as well as manage checking, savings, money market, mortgage, and other credit accounts.
- **M&T's mobile application ("App")** – Many of the Bank's products and services are also accessible to its customers through the Bank's App, which is available 24 hours a day on the Android and IOS platforms. Services featured on the App include balance inquiry, mobile check deposit, bill pay and transfers between accounts.
- **Contact Center** - M&T's contact center takes inbound telephone calls and secure emails from customer's account inquiries including servicing and maintenance requests related to consumer and/or business deposit products, consumer loans and retail and small business credit, and Digital/Mobile Banking. The contact center is available daily with weekday hours from 6:00 AM to 9:00 PM, and Saturday and Sunday hours from 9:00 AM to 5:00 PM. Any customer can use M&T's 24/7 toll-free customer service number for general banking questions and retrieve automated account information.
- **Multi-Cultural Banking Department ("MCB")** - M&T established the MCB to assist customers with limited proficiency in the English language in establishing and maintaining bank accounts, resolving account servicing issues and assist in accessing financial education. MCB has established a process to certify employees and branches as Limited English Proficient ("LEP"). To date, the Bank has certified approximately 250 bank employees that speak 22 languages as LEP and are located across 119 M&T branches nationwide, to assist customers with limited proficiency in English.
- **Zelle** - M&T continues to partner with Zelle, a third-party person to person payment and disbursement service that is integrated into M&T's mobile banking app and online banking site. This service allows for free, quick, and convenient payments 24/7 to other users that are customers of M&T or other banks within the Zelle network.

d. Range of services provided:

M&T's services meet the convenience and accessibility needs of its assessment area, including LMI geographies and individuals.

During the evaluation period, M&T offered a range of retail products and services targeting LMI individuals and small businesses in its assessment area. The accounts are described below.

- **M&T EZ Choice Checking** – This is a noninterest-bearing checking account, offered in lieu of the New York State mandated Basic Banking Account. The account has no minimum balance requirement to open, no monthly maintenance service charge and no per check fees. This account also makes the accountholder eligible for loan discounts with auto-deduct and a relationship savings account with no monthly service charge. This account is promoted on the Bank’s website, brochures and marketing materials in all branches located within its New York assessment area. M&T opened a total of 184,828 EZ Choice Checking accounts for customers from 2018 through 2021.
- **M&T MyWay Banking** – This is noninterest-bearing checkless checking account with a debit card, no overdraft fees (as account does not allow customers to overdraw), no monthly maintenance fees with one transaction, access to online and mobile banking, and the ability to use Zelle for person-to-person payments. The MyWay Banking account is certified by the national nonprofit Cities for Financial Empowerment Fund as meeting the Bank On National Account Standards. Bank On certified accounts are designed to promote financial inclusion for underbanked and unbanked consumers through required account features that include low or no fees, no overdraft fees, online bill pay while providing robust transaction capabilities. M&T opened a total of 47,096 MyWay Banking accounts customers from 2018 to 2021.
- **M&T Starter Savings** – The account is a tiered variable interest-bearing account targeted to individuals under the age of 18 years old to help young savers to learn how to manage money responsibly. The account features no minimum opening deposit, a \$1 minimum balance to earn interest and no monthly maintenance fees. To open the account, a parent or guardian at least 18 years of age must be a joint owner on the account.
- **M&T Relationship Savings** – This is a tiered variable interest-bearing account requiring a \$25 opening balance, a \$1 minimum balance to earn interest, and three ways to avoid a monthly maintenance fee by: (a) maintaining a \$500 daily balance; (b) making at least one deposit a month; or (c) maintaining an open and active M&T personal checking account.
- **NYC Safe Start Accounts** – M&T offers this program in partnership with the NYC Department of Consumer Affairs. This account is a starter savings account featuring no overdraft fees, an ATM card and no monthly fees (if minimum balances are met), minimum balance requirements of \$25 or more.
- **Quest Electronic Benefits Transfer Program** – Provides access to food stamps and cash benefits for recipients via a debit card instead of physical food stamps or checks.
- **M&T Simple Checking for Business** – The account is designed specifically as a low-cost maintenance checking account for new start-up businesses. The monthly maintenance fee of \$10 is waived for first three months and waived after the first three months if the client maintains an average ledger account balance of \$2,500 or conducts five or more transactions per statement period.
- **M&T Business Interest Checking** – The account allows clients to earn interest and includes unlimited checks, overdraft protection, and 24/7 account management. To earn interest, the client must maintain a \$500 minimum daily balance. The account has a \$22 monthly maintenance fee.
- **Non-Profit Checking** – An affordable checking account designed for nonprofit organizations that includes no charge for the first 50 transactions per month, a low monthly maintenance fee of \$7.50 that can be waived if client maintains an average ledger balance of \$500 or enrolls to receive e-statements.

2. Community Development Services: Outstanding

M&T was a leader in providing community development services.

During the evaluation period, members of board of directors, senior management, and employees of M&T participated in community development services through providing financial and technical expertise as members of boards and/or committees of various community organizations. Employees participated in seminars providing their technical expertise on topics such as how to apply for a mortgage, financial literacy, and small business financing.

Community Development Services	
Activity Type	Number of Activities
On-Going Board & Committee Memberships	1,114
Technical Assistance	660
Seminars	1,218
Credit Counseling	68
Other Services	565
Total Community Development Services	3,625

Below are highlights of M&T’s community development services:

- An executive vice president and senior vice president served on the board of an organization that manages, develops, and provides affordable, quality housing in Western New York for low-income families and the disabled.
- An executive vice president served as a board member of an organization that provides housing for homeless veterans and veterans with special needs. Through the years, the organization has expanded its mission to also develop and manage residential housing for low-income, severely disabled, homeless, and other persons who have special needs, but the focus remains to help veterans first.
- A senior vice president served on the board of a nonprofit organization which helps immigrant and refugee families with school supplies. It is estimated that yearly school supply cost is nearly \$700. The organization donates school supplies to immigrant and refugee families in the Buffalo area, so the families can concentrate on paying their everyday expenses such as housing, food, medical and transportation expenses.
- A senior vice president and vice president served on the board of a faith-based middle school located in a moderate-income tract in Buffalo, NY. The school aims to transform the lives of underserved students in a secure and nurturing environment and break the cycle of poverty through education. Students admitted must show a severe financial need and be from the Buffalo area. 100% of students receive financial aid and 95% of the cost per student is covered by donations.

- A vice president and an assistant vice president served on the board of an organization sponsored by various organizations, agencies, and New York State. The organization is a startup accelerator and invests \$5 million each year into startup businesses and businesses that relocate to Erie County, encouraging economic development in the area.
- M&T's employees provided financial education seminars to students in various school districts in New York State including a school district in Broome County, where 100% of students qualified for the free or reduced lunch program. The seminars introduced students to banking and budgeting basics.
- Bank employees participated in more than 10 financial education seminars hosted by a nonprofit organization whose mission it is to reduce homelessness for individuals and families in Western New York by providing emergency shelter, transitional housing, food, education, and other supportive services. The financial education seminars covered topics including basic banking, budgeting, identity protection and credit scores and reports.
- M&T's employees participated in more than 30 financial education seminars, hosted by a nonprofit organization whose mission it is to provide education, training, and career services to help people with barriers to employment get jobs or transition to higher wage jobs in Western New York. The financial education seminars covered topics including basic banking, budgeting, identity protection and credit scores and reports.
- Bank employees participated in more than 20 first-time homebuyer, home rehabilitation/renovation and financial education seminars hosted by a nonprofit organization serving Western New York. The organization's mission is to help and provide first-time homebuyers with safe and affordable housing opportunities and partner with local municipalities to rehab and renovate vacant properties and put them back on the market. The organization provides 15,000 services annually to low-income households and processes over \$25 million in rental assistance to property owners annually.
- M&T's employees participated in more than 50 first-time homebuyer seminars hosted by several nonprofit organizations serving the five boroughs of New York City, with the mission of helping LMI individuals and families through housing counseling, financial literacy education, down-payment, and financing assistance to preserve and/or purchase affordable housing.
- M&T, in 2019, hosted a week-long small business bootcamp in Erie County, primarily for minority- and women-owned businesses. The bootcamp contained five parts that covered developing a business plan, market analysis, competitive advantage and marketing strategy, organization chart and financial outlook.

D. Additional Factors

The following factors were also considered in assessing M&T's record of performance.

1. The extent of participation by the banking institution's board of directors or board of

trustees in formulating the banking institution’s policies and reviewing its performance with respect to the purposes of the CRA.

M&T’s CRA policy delegates responsibility for implementation of the CRA policy on behalf of the board to the CRA committee. The CRA committee meets twice a year and is chaired by the CRA director and consists of members of senior management from various business units such as retail banking, business banking, mortgage and consumer lending, commercial real estate, and other key divisions. The CRA committee monitors the Bank’s CRA performance and compliance with statutory requirements, and exceptions and violations of this policy to the Regulatory Compliance Risk Committee (“RCRC”). RCRC annually reviews and approves the Bank’s CRA policy and reports material violations, as informed by the CRA committee, to the management risk committee.

The community reinvestment team, a part of the community banking division, consists of the CRA director, four regional CRA managers, and eight regional CRA officers. CRA regional officers monitor and assess their assigned region’s CRA lending, investment, and service performance and communicate their assessment results to the CRA director.

2. Discrimination and other illegal practices

- *Any practices intended to discourage applications for types of credit set forth in the banking institution’s CRA Public File.*

DFS examiners did not note practices by M&T intended to discourage applications for the types of credit offered by M&T.

- *Evidence of prohibited discriminatory or other illegal credit practices.*

DFS examiners did not note evidence of prohibited discriminatory or other illegal practices.

3. Process Factors

- *Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution’s efforts to communicate with members of its community regarding the credit services being provided by the banking institution.*

M&T’s management team actively engages with local community development organizations and nonprofit organizations. This includes the Bank’s regional CRA officers, who engage with local community leaders and organizations in their individual regions. Furthermore, various members of M&T’s management serve on the board of various nonprofit and community development organizations, as well as employees’ participation in first-time homebuyer and financial literacy seminars. All these activities help M&T to identify specific credit needs, programs and banking needs of the local and regional communities including LMI individuals and families.

- *The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution*

M&T used various media channels and methods to communicate its first mortgage and home equity loans, commercial loans, and retail banking products within its assessment area, including radio, social and digital media platforms, print, brochures, direct mail, and in-branch marketing, telephone banking sales, and promotional material on its own online website, and direct sales at in-branch locations. To reach potential LMI and first-time homebuyers, M&T promotes affordable/LMI mortgage program through consumer product flyers, brochures, in-branch advertising, print campaigns, and online banner advertisements.

- *Action Taken in Response to Written Complaints with Respect to CRA*

Neither M&T nor DFS received any written complaints regarding M&T's CRA performance during the evaluation period.

4. Other factors that in the judgment of the Superintendent bear upon the extent to which M&T is helping to meet the credit needs of its entire community.

M&T, during the evaluation period, implemented the following programs to help customers affected by the pandemic and to meet help meet the credit needs of its entire community. Highlights of which are as follows:

- **COVID-19 Pandemic Relief** – M&T waived late fees assessed in April 2020 and suspended credit reporting for delinquency through May 2020 on mortgage loans, HELOCs, unsecured loans, installment loans and credit card accounts to help customers with financial hardship. M&T also refunded insufficient fund fees and/or overdraft fees from March 24, 2020 through May 2020. The business banking department worked tirelessly to understand guidance, build and launch M&T's PPP portal and loan processing infrastructure. The business banking team worked seven days a week to process PPP applications and the CRA team worked hard to ensure that nonprofit organizations and small businesses in LMI communities were aware of the program and able to access the portal. M&T also cashed stimulus checks for nonbank customers at no cost at 15 M&T branches throughout the City of Buffalo.
- **Digital Forward** - In 2020, M&T launched, enterprise-wide, the Digital Forward campaign to help customers be digitally equipped to access banking services from their personal devices. From 2020 to 2022, approximately 65% or 465,000 of M&T's LMI customers were enrolled in digital services, of which 339,000 were digitally active. In addition, digital application usage significantly increased among LMI customers such as the DocuSign app (approx. 600%), in Digital Appointment setting (approx. 192%), and in Educational Digital Demos (approx. 450%).
- **Online Financial Education Center ("Online Center")** – M&T, through its Online Center launched in December 2020, offers financial education including basic budgeting and financial literacy programs to customers and non-customers in response to a growing need identified by

community groups and nonprofit community organizations. The Online Center is accessible to all individuals and income groups and is also available in Spanish. The Online Center is accessible via the Bank's website and categories/topics offered include becoming a homeowner, banking for teens and college students, preparing for retirement, banking for entrepreneurs, and growing a small business. Personal finance awareness topics such as credit report and scores, credit cards, mobile and online banking, creating a budget, and preparing for college are addressed on the platform. The most popular business subjects have been developing a business plan, how to obtain credit, and how to overcome small business financial hardships. M&T has noted that to date more than 60,000 users have visited the Online Center to access content.

V - GLOSSARY

Aggregate Lending

“Aggregate lending” means the number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Banking Development District (“BDD”) Program

The BDD Program is a program designed to encourage the establishment of bank branches in areas across New York State where there is a demonstrated need for banking services, in recognition of the fact that banks can play an important role in promoting individual wealth, community development, and revitalization. Among others, the BDD Program seeks to reduce the number of unbanked and underbanked New Yorkers and enhance access to credit for consumers and small businesses. More information about the program, may be found at <https://www.dfs.ny.gov> and search for the BDD Program.

Community Development

“Community development” means:

- Affordable housing (including multifamily housing) for LMI individuals;
- Community services targeted to LMI individuals;
- Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
- Activities that revitalize or stabilize LMI geographies, designated disaster areas, or distressed or underserved metropolitan middle-income geographies designated by the Board of Governors of the federal Reserve System, FDIC and the Office of Comptroller of the Currency; and
- Activities that seek to prevent defaults and/or foreclosures in loans included in the first and third bullet points above.

Community Development Loan

“Community development loan” means a loan that has its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving LMI persons; multifamily industry letter (<https://www.dfs.ny.gov/system/files/documents/2020/03/i1141204.pdf>);
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are in LMI areas or that primarily serve LMI individuals;

- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean-up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

Community Development Service

“Community development service” means a service that has community development as its *primary purpose*, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM “Training Machines” available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
 - ❖ Serving on a loan review committee;
 - ❖ Developing loan application and underwriting standards;
 - ❖ Developing loan processing systems;
 - ❖ Developing secondary market vehicles or programs;
 - ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
 - ❖ Furnishing financial services training for staff and management;
 - ❖ Contributing accounting/bookkeeping services; and
 - ❖ Assisting in fund raising, including soliciting or arranging investments.

Community Development Financial Institution (“CDFI”)

A CDFI is a financial institution that provides credit and financial services to underserved markets and populations and has a primary mission of community development, serves a target market, is a financing entity, provides development services, remains accountable to its community, and is a non-governmental entity. CDFIs are certified as such by United States Treasury Department’s CDFI Fund.

Fair Market Rents (“FMRs”)

Fair Market Rents are published and developed annually by the US Department of Housing and Urban Development (“HUD”) and used to determine rent payments for affordable housing projects such as Section 8 contracts in defined metropolitan statistical areas (“MSAs”) nationwide. For easy reference of annual FMRs in New York MSAs or counties, go to www.huduser.gov/portal/datasets/fmr.html

Geography

“Geography” means a census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (“HMDA”)

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Income Level

The income level for borrowers is based on household or family income. A geography’s income is categorized by median family income for the geography. In both cases, the income is compared to the Metropolitan Statistical Area (“MSA”) or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

LMI Geographies

“LMI geographies” means those census tracts or block numbering areas where, according to the most current U.S. Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a MSA or Primary Metropolitan Statistical Area (“PMSA”), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of Block Numbering Areas (“BNAs”) and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

LMI Borrowers

“LMI borrowers” means borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In cases where the residential property is in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the Federal Financial Institutions Examination Council (“FFIEC”).

LMI Individuals/Persons

“LMI individuals” or “LMI persons” means individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by the FFIEC.

LMI Penetration Rate

“LMI penetration rate” means the percentage of a bank’s total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, if a bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers, the penetration rate would be 20%.

Low-Income Housing Tax Credit (“LIHTC”)

LIHTCs were created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low-income Americans. The tax credits provide a dollar-for-dollar reduction in a taxpayer’s federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

Minority Depository Institutions (“MDIs”)

An MDI is defined as a federal insured depository institution for which (1) 51 percent or more of the voting stock is owned by minority individuals; or (2) a majority of the board of directors is minority and the community that the institution serves is predominantly minority. For more of MDIs, go to FDIC.gov (Minority Depository Institutions Program) including list of MDIs.

New Markets Tax Credit (“NMTC”)

The NMTC Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities (“CDEs”). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all of the taxpayer’s investments to make qualified investments in low-income communities. The Fund is administered by the CDFI Fund, an agency of the United States Department of the Treasury.

Paycheck Protection Program (“PPP”) Loans

The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) temporarily permits the U.S. Small Business Administration (“SBA”) to guarantee 100% of 7(a) loans under a new program titled the “Paycheck Protection Program”. The intent of the PPP is to help small business cover payroll costs providing for forgiveness of up to the full principal of qualifying loans guaranteed under the PPP subject to certain rules including how much or percentage of the loan proceeds a borrower spends on payroll costs. A small business owner can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Any amount of the PPP loan that is not forgiven shall be repaid over a 5-year term at a fixed interest rate of 1%. The program officially ended May 31, 2021.

Qualified Investment

“Qualified investment” means a lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;

- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women’s centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

Small Business Loan

A small business loan is a loan less than or equal to \$1 million.