

M&T Bank: Who should own the New England growth agenda?

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A growth priority meets an operating-model choice

M&T Bank Corporation entered the second half of 2026 with two priorities on its agenda. Its July investor presentation called for “Operational Excellence”: scalable infrastructure, consistent client experiences, efficiency, and maintained quality and risk standards. It also called for “Teaming for Growth,” with alignment and integration across markets, businesses, and platforms. The same presentation named New England as a growth priority, including leading deposit and loan growth, higher relationship-manager revenue, and a top-five Small Business Administration (SBA) ranking. These are management priorities and targets, not reported outcomes. [C2]

The public materials do not say M&T is changing its organization, struggling to meet these goals, or reconsidering its New England strategy. They do not disclose how credit authority is currently divided between central and regional teams. Still, a hypothetical executive committee reviewing the 2026 agenda must decide how the bank should organize to pursue it. Should leaders rely on common processes and enterprise coordination, give regional teams more discretion, or combine the two in a deliberate way?

The question is consequential because the work behind a commercial relationship is not always easy to summarize. A local team may know a business owner’s plans, customers, suppliers, or seasonal pressures. Central teams may have a broader view of risk, portfolio concentrations, policy, and the information systems needed to serve clients consistently. The challenge is to capture relevant local context while maintaining controls and coordination across a large bank.

The institution and the stated ambition

At year-end 2025, M&T reported \$213.5 billion in consolidated assets and 942 domestic banking offices, primarily across the Northeast and Mid-Atlantic. Its 2025 Form 10-K described the domestic banking network as a principal source of core deposits; average core deposits were \$149.383 billion, or 78% of average earning assets. The filing also reported 21,839 full-time and 439 part-time employees. These figures establish scale and operating context; they do not reveal the contribution of any specific region, office, or customer relationship. [C1]

M&T’s 2026 enterprise-priorities slide connects its growth agenda with its operating model. “Operational Excellence” emphasizes scalable infrastructure and consistent service while maintaining quality and risk standards. “Teaming for Growth” calls for alignment and integration across markets, businesses, and platforms. The slide identifies New England as a

region where M&T aims to lead in deposit and loan growth, improve relationship-manager revenue, and rank among the top five in SBA lending. It also lists primary-checking and deposit growth and increased mortgage originations. No baselines, regional budgets, target dates, or probability of reaching these outcomes accompany the slide. [C2]

M&T describes local knowledge and trusted advice as part of its customer commitment. That is the company's stated positioning, not an independently measured advantage. The People's United acquisition, completed in April 2022, expanded the company's presence across Connecticut, Massachusetts, Maine, New Hampshire, New York, and Vermont. Its history provides context for the footprint, but does not establish that integration remains incomplete or that the acquisition created a current operating problem. [C2, C6]

The latest quarter at the case cutoff offers a consolidated snapshot, not a regional scorecard. For the second quarter of 2026, M&T reported net income of \$818 million, diluted earnings per share of \$5.32, average loans of \$141.4 billion, and average deposits of \$163.5 billion. Average commercial and industrial (C&I) loans were \$66.0 billion, up from \$61.0 billion a year earlier; average commercial real estate (CRE) loans were \$23.6 billion, down from \$25.3 billion. Estimated common equity tier 1 capital was 10.19% at June 30. None of these disclosures identifies New England growth, relationship-manager productivity, or customer-level outcomes. [C3]

M&T also reported implementation of a new general-ledger platform during the quarter and a change in how it calculated certain annualized rates. The company noted the change in its materials. It is a comparison caveat, not evidence of implementation trouble. [C3]

A question of decision rights

Research on organization design offers a way to examine the choice. Stein's theoretical model distinguishes "soft" information, which is difficult to verify and transmit upward, from information that can be codified. Local authority can strengthen incentives to collect and use soft information. Hierarchy can work better when information is transmissible and integration benefits are important. The theory does not prescribe an organization chart for M&T. [A1]

Berger and coauthors studied small-business lending relationships formed in 1990-94. In their instrumental-variable analysis, larger banks' borrowers were located farther away on average, had shorter relationships, and were less likely to use a single lender; their late-payment result used a smaller subsample. The estimates depend on the instruments' exclusion assumptions and concern historical small-firm lending, not M&T or present-day New England. The authors also found that assets elsewhere in a bank holding company generally added little explanatory power to these relationship outcomes, a preliminary result consistent with the possibility that a large group can preserve local decision-making. [A2]

These studies point in more than one direction. They raise the possibility that local discretion helps relationship managers use information that is difficult to put into a report. They also leave room for standardized processes and shared platforms to coordinate information, policy, and resources. Neither the academic work nor M&T's disclosures determine which work belongs at which level.

Three designs for discussion

The following are analytical options for this case. M&T has not announced any of them.

Design	How it could work	Potential benefit	Key risk or question
Enterprise-led execution	Use common processes, standards, and escalation paths across markets; regional teams provide information within those processes.	Supports consistency, coordination, and shared oversight as the company pursues scalable infrastructure.	Could important local context be compressed or delayed before it informs a decision?
Regional discretion within common guardrails	Set enterprise-wide risk appetite, controls, data definitions, and service standards; give regional leaders bounded authority over specified client or market decisions.	Could preserve local judgment while retaining a common operating backbone.	Which decisions can be safely bounded, and how will exceptions and outcomes be reviewed?
More autonomous regional execution	Give New England leadership broader responsibility for priorities and execution while relying on enterprise controls and reporting.	Could sharpen local accountability and shorten the path from market knowledge to action.	How would M&T preserve consistent service, portfolio oversight, and coordination across markets and businesses?

The case does not provide New England unit economics, current approval times, exception rates, local credit authority, client attrition, branch contribution, or regional staffing capacity. Consolidated results cannot fill these gaps. A recommendation that depends on such figures must identify them as information to obtain, not facts already known. [C1, C3, C4]

Your assignment

Assume you advise M&T's executive committee in August 2026. Recommend how the bank should divide decision rights as it pursues its stated New England priorities. Your proposal should:

1. Identify which activities or standards should be common across the enterprise and which decisions should be owned or materially influenced by regional leaders.
2. Explain how local information would enter decisions, how exceptions would be escalated, and how enterprise controls would apply.
3. Name a small set of proposed indicators that could help the committee distinguish productive coordination from unnecessary friction. For each, state what it measures and what interpretation would remain uncertain.
4. Identify the evidence M&T would need before changing authority more broadly, and describe a limited way to learn while protecting customers and the bank.

You may recommend any of the three designs or a different arrangement. Do not infer that the current model has failed, that regional leaders lack authority, or that local discretion is already known to improve M&T's results. Do not estimate a New England return from consolidated financial figures.

Exhibit 1. Company facts available at the cutoff

Measure	Reported figure or statement	What it does-and does not-show
Consolidated assets, December 31, 2025	\$213.5bn	Scale; not New England assets or returns.
Domestic banking offices, December 31, 2025	942	Physical network; not office-level performance.
Average core deposits, 2025	\$149.383bn; 78% of average earning assets	Funding context; not a regional deposit target baseline.
Employees, December 31, 2025	21,839 full-time; 439 part-time	Company workforce; not New England capacity.
Q2 2026 average loans	\$141.4bn	Consolidated balance.
Q2 2026 average deposits	\$163.5bn	Consolidated balance.
Q2 2026 average C&I loans	\$66.0bn, versus \$61.0bn in Q2 2025	Consolidated category movement; not a regional trend.
Q2 2026 average CRE loans	\$23.6bn, versus \$25.3bn in Q2 2025	Consolidated category movement; not a regional trend.
Estimated CET1 at June 30, 2026	10.19%	Consolidated capital measure; not an allocation rule for New England.

Sources: C1 and C3. Figures retain their stated reporting dates and definitions. The 2025 filing reports \$212.9bn of assets for M&T Bank, the subsidiary; that is distinct from M&T's \$213.5bn of consolidated assets.

Exhibit 2. Selected academic evidence

Study and result	Sample and method	Boundary for this decision
Stein (2002): soft information may favor decentralization; codifiable information and integration benefits may favor hierarchy.	Stylized theoretical model.	Mechanism, not an empirical M&T result or decision-rights prescription.
Berger et al. (2005): IV coefficient for bank size on log distance was 0.296 (SE 0.078); on log relationship length, -0.150 (SE 0.044).	1,131 firm-bank matches; small firms and loans from 1990-94. Estimates are conditional on instrument exclusion assumptions.	Historical associations in small-business lending; not a forecast or an M&T-specific effect.
Berger et al. (2005): IV estimate for late trade-credit payment was 0.044 (SE 0.021), with the authors' predicted share increasing from 26% to 43%.	Trade-credit outcome available for 546 firms, not the full 1,131-firm sample.	Outcome and sample differ from the baseline analysis; not a current customer measure.

Sources: A1; A2, Tables 3, 5, and 7, journal pages 253, 257, and 260. Berger et al.'s IV estimates rely on exclusion assumptions for the instruments. Their Table 6 also reports a negative association with single-lender relationships (IV logit coefficient -0.526, SE 0.144, p. 259). The study's holding-company analysis is preliminary and does not establish a proven

internal-delegation solution.

Source key

- **C1.** M&T Bank Corporation, 2025 Form 10-K, filed February 18, 2026. [SEC filing](#). Item 1, p. 3; Human Capital Resources, p. 19; Item 2, p. 46; Funding activities-deposits, Table 14, p. 65.
- **C2.** M&T, 2Q26 Earnings Presentation, July 15, 2026. [Presentation PDF](#). Slides 3-4, company positioning and 2026 enterprise priorities; targets are management statements.
- **C3.** M&T, Q2 2026 earnings release and presentation. [Company IR release](#). Earnings highlights, balance-sheet discussion, loan trends, capital and methodology footnotes; presentation slides 7 and 10.
- **C4.** M&T, 2Q26 Form 10-Q, filed August 4, 2026 at 10:37:08 a.m. ET. [SEC filing](#). Consolidated and risk disclosures; no regional unit economics identified.
- **C6.** M&T investor relations, [acquisition history](#), People's United entry. Historical footprint context only.
- **A1.** Jeremy C. Stein, "Information Production and Capital Allocation: Decentralized versus Hierarchical Firms," *Journal of Finance* 57, no. 5 (2002): 1891-1921. [Full article](#).
- **A2.** Allen N. Berger, Nathan H. Miller, Mitchell A. Petersen, Raghuram G. Rajan, and Jeremy C. Stein, "Does Function Follow Organizational Form? Evidence from the Lending Practices of Large and Small Banks," *Journal of Financial Economics* 76 (2005): 237-269. [Full article](#).

This case uses evidence public by August 4, 2026, 10:37:08 a.m. ET. It presents a hypothetical governance decision and includes no subsequent company outcomes.