

<div>Form 5500</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Annual Return/Report of Employee Benefit Plan</div> <div>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div>	<div>OMB Nos. 1210-0110 1210-0089</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A	This return/report is for: <div><div>☐ a multiemployer plan;</div><div>☒ a single-employer plan;</div><div>☐ a multiple-employer plan; or</div><div>☐ a DFE (specify) ____</div></div>
B	This return/report is: <div><div>☐ the first return/report;</div><div>☐ the final return/report;</div><div>☐ an amended return/report;</div><div>☐ a short plan year return/report (less than 12 months).</div></div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: <div><div>☐ Form 5558;</div><div>☐ automatic extension;</div><div>☐ the DFVC program;</div><div>☐ special extension (enter description)</div></div>

Part II	Basic Plan Information—enter all requested information
1a	Name of plan FIRST NIAGARA FINANCIAL GROUP, INC. 401K PLAN
1b	Three-digit plan number (PN) ▶ 002
1c	Effective date of plan 01/01/1990
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) FIRST NIAGARA FINANCIAL GROUP, INC. 726 EXCHANGE STREET SUITE 618 BUFFALO, NY 14210
2b	Employer Identification Number (EIN) 42-1556195
2c	Sponsor's telephone number 716-819-5336
2d	Business code (see instructions) 522120

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	07/27/2010	JULIE M. LAFOREST
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/27/2010	JULIE M. LAFOREST
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") FIRST NIAGARA FINANCIAL GROUP, INC. 726 EXCHANGE STREET SUITE 618 BUFFALO, NY 14210	3b Administrator's EIN 42-1556195 3c Administrator's telephone number 716-819-5336
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	2348
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	2884
b Retired or separated participants receiving benefits.....	6b	2
c Other retired or separated participants entitled to future benefits.....	6c	479
d Subtotal. Add lines 6a , 6b , and 6c	6d	3365
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	4
f Total. Add lines 6d and 6e	6f	3369
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	2549
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	32

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2J 2K 2O

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

<div>A</div> <div>Name of plan</div> <div>FIRST NIAGARA FINANCIAL GROUP, INC. 401K PLAN</div>	<div>B</div> <div>Three-digit plan number (PN)</div> <div>▶</div> <div>002</div>
<div>C</div> <div>Plan sponsor's name as shown on line 2a of Form 5500</div> <div>FIRST NIAGARA FINANCIAL GROUP, INC.</div>	<div>D</div> <div>Employer Identification Number (EIN)</div> <div>42-1556195</div>

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1

Information on Persons Receiving Only Eligible Indirect Compensation

a

Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).....

☒ Yes

☐ No

b

If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b)

Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

CHARLES SCHWAB INVESTMENT MGMT INC.

94-3106735

(b)

Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

CHARLES SCHWAB TRUST COMPANY

45-1558009

(b)

Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

CHARLES SCHWAB & CO., INC..

94-1737782

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
71	NONE	24245	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

FIRST NIAGARA BENEFITS CONSULTING

16-0976844

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 15	AFFILIATE OF SPONSOR	9276	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

MILLIMAN, INC.

91-0675641

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 15	NONE	117702	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MILLIMAN, INC	72 59	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
CHARLES SCHWAB & CO, INC. 94-1737782	RANGE OF .00 - .02% OF AVERAGE DAILY BALANCE OF ASSETS

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan FIRST NIAGARA FINANCIAL GROUP, INC. 401K PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 FIRST NIAGARA FINANCIAL GROUP, INC.	D Employer Identification Number (EIN) 42-1556195	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	125571	0
(2) Participant contributions	1b(2)	208709	7559
(3) Other.....	1b(3)		380
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	3928316	3027983
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	2018877	2667520
(9) Value of interest in common/collective trusts.....	1c(9)	2976129	4813771
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	50576715	72473708
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	28672046	27103092
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	88506363	110094013

Liabilities

g Benefit claims payable	1g		0
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	88506363	110094013
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	4284473	
(B) Participants	2a(1)(B)	7445138	
(C) Others (including rollovers)	2a(1)(C)	3442306	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		15171917

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	5938	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	144220	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		150158

(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	1034295	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1174082	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		2208377

(3) Rents	2b(3)		0
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	-3614609	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-3614609
(6) Net investment gain (loss) from common/collective trusts	2b(6)		93901
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		11580197
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		25589941

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3874645	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		3874645
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	126978	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	668	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		127646
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		4002291

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		21587650
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified **(2)** ☐ Qualified **(3)** ☐ Disclaimer **(4)** ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: BONADIO & CO., LLP

(2) EIN: 16-1131146

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		40000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>FIRST NIAGARA FINANCIAL GROUP, INC. 401K PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FIRST NIAGARA FINANCIAL GROUP, INC.</u>	D Employer Identification Number (EIN) <u>42-1556195</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-3523567</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**FIRST NIAGARA FINANCIAL GROUP
401(k) PLAN**

**Financial Statements as of
December 31, 2009 and 2008
And
Supplemental Schedule
Together with
Independent Auditors' Report**

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Qualified Retirement Plans Committee of
First Niagara Financial Group, Inc.:

We have audited the accompanying statements of net assets available for benefits of the First Niagara Financial Group 401(k) Plan (the Plan) as of December 31, 2009 and 2008 and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the First Niagara Financial Group 401(k) Plan as of December 31, 2009 and 2008, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental Schedule of Assets (Held at End of Year) as of December 31, 2009, is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Bonadio & Co., LLP

June 24, 2010
Williamsville, NY

6400 Sheridan Drive
Suite 230
Williamsville, NY 14221
p (716) 633-8885
f (716) 633-9469

ROCHESTER • BUFFALO
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FIRST NIAGARA FINANCIAL GROUP 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Investments, at fair value:		
Mutual funds	\$ 72,473,708	\$ 50,576,715
First Niagara Financial Group, Inc. common stock	27,103,092	28,672,046
Common/collective trust fund	4,813,771	2,976,129
Participant loans	2,667,520	2,018,877
Money market account	<u>3,027,983</u>	<u>3,928,316</u>
Total investments	110,086,074	88,172,083
Receivables:		
Employer contribution receivable	-	125,571
Employee contribution receivable	7,559	208,709
Other receivables	<u>380</u>	<u>-</u>
Total receivables	<u>7,939</u>	<u>334,280</u>
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	\$ 110,094,013	\$ 88,506,363
Adjustment from fair value to contract value for interest in common/collective trust fund relating to fully benefit- responsive investment contracts	<u>(22,693)</u>	<u>(11,977)</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 110,071,320</u>	<u>\$ 88,494,386</u>

The accompanying notes are an integral part of these statements.

FIRST NIAGARA FINANCIAL GROUP 401(k) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ADDITIONS		
Employee contributions	\$ 7,445,138	\$ 6,327,552
Employer contributions	4,284,473	3,473,700
Rollover contributions	3,442,306	253,220
Interest and dividend income	2,358,535	1,265,323
Net appreciation (depreciation) in fair value of investments, including realized gains and losses on sales	<u>8,048,773</u>	<u>(14,372,339)</u>
Total additions	25,579,225	(3,052,544)
DEDUCTIONS		
Distributions to participants	3,874,645	7,966,181
Administrative expenses	<u>127,646</u>	<u>43,643</u>
Total deductions	<u>4,002,291</u>	<u>8,009,824</u>
Net increase (decrease)	21,576,934	(11,062,368)
NET ASSETS AVAILABLE FOR BENEFITS - beginning of year	<u>88,494,386</u>	<u>99,556,754</u>
NET ASSETS AVAILABLE FOR BENEFITS - end of year	<u><u>\$ 110,071,320</u></u>	<u><u>\$ 88,494,386</u></u>

The accompanying notes are an integral part of these statements.

FIRST NIAGARA FINANCIAL GROUP 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

1. DESCRIPTION OF PLAN

The following description of the First Niagara Financial Group 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The plan is a defined contribution plan with salary reduction features as permitted under Section 401(k) of the Internal Revenue Code. The Plan is funded by employee and employer contributions and covers substantially all eligible employees of First Niagara Bank and its Subsidiaries, which is owned by First Niagara Financial Group, Inc. (FNFG) (collectively, the Company). It is intended to conform with the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and subsequent legislation, when applicable.

Effective January 1, 2009, the assets of the Plan were transferred to and are maintained by Charles Schwab Trust Company, (Schwab) as Trustee and Milliman, Inc. as recordkeeper for the Plan. At December 31, 2008, the assets of the Plan were maintained by First Niagara Bank as Trustee and Fidelity Brokerage Services, LLC (Fidelity) as custodian, and First Niagara Risk Management d/b/a First Niagara Benefits Consulting was the recordkeeper for the Plan. First Niagara Risk Management is a subsidiary of First Niagara Bank.

In September 2009, the Company acquired 57 branch locations in Western Pennsylvania from National City Bank (NatCity). In accordance with the Plan, upon completion of the acquisition, former NatCity employees retained by the Company were eligible to participate in the Plan and were credited for their years of service with NatCity.

Broker commissions associated with investment transactions and investment management fees are paid by the Plan. Administrative fees not paid by the Plan are paid by the Company.

Eligibility

All employees who have completed three months of service, as defined in the Plan, have attained the age of 21 and who are not represented by a collective bargaining unit are eligible to participate in the Plan.

Contributions

Employees who are eligible to participate in the Plan may elect to contribute up to 100% of their annual compensation, as defined in the Plan, subject to the annual limitations provided by the Internal Revenue Code. Employees who are age 50 or older by the end of the calendar year are allowed to make an additional "catch-up" contribution. This contribution was limited to \$5,500 and \$5,000 in 2009 and 2008, respectively. The "catch-up" contribution is not subject to the employer matching contribution.

Effective January 1, 2009, safe harbor provisions were adopted by the Plan, for which eligible participants shall be allocated a safe harbor match in an amount equal to 100% of the first 4% of compensation plus 50% of the next 2% of compensation deferred by a participant, up to a total of 5% of compensation.

1. DESCRIPTION OF PLAN (Continued)

Contributions (Continued)

Prior to January 1, 2009, the Company contributed a matching contribution to those participating employees who have elected to make employee contributions. The matching contribution is equal to 100% of an employee's contribution up to 2% of the employee's compensation (as defined in the Plan), plus 75% of an employee's contribution between 2% and 6% of the employee's compensation. Matching contributions for an employee shall not be more than 5% of the employee's compensation in a Plan year.

The Company may also make an annual discretionary contribution to the Plan. No discretionary contributions were made to the Plan during 2009 and 2008. Participants may also rollover amounts representing distributions from other qualified defined benefit or defined contribution plans.

Participants direct the investment of their contributions into various investment options offered by the Plan. Participants may change their investment allocation on a daily basis.

Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of (a) the Company's contributions, (b) Plan earnings and losses, and (c) administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

All participants are immediately 100% vested in their contributions, plus allocated earnings thereon. Effective January 1, 2009, eligible participants receiving a safe harbor matching contribution shall be 100% vested in those contributions. For employer matching contributions made prior to January 1, 2009 and employer discretionary contributions, vesting will remain the same as follows:

Less than 2 years	0%
2 years	20%
3 years	40%
4 years	60%
5 years	80%
6 years	100%

Loans to Participants

Participants may borrow from their accounts a minimum of \$1,000 per loan up to a maximum amount, which is the lesser of \$50,000 or 50% of their vested account balance. Loan terms range from one to five years or up to 15 years for the purchase of a principal residence. The loans are collateralized by the participant's account and bear interest at the rates available for comparable loans from commercial lending institutions. Principal and interest is paid ratably through payroll deductions.

Forfeited Accounts

Forfeitures of nonvested employer contributions may be used for Plan administrative expenses or to reduce the employer's future contributions. During 2009 and 2008, forfeitures used to reduce employer contributions amounted to \$61,013 and \$162,007, respectively. Unused forfeited account balances were \$107,102 and \$110,648 at December 31, 2009 and 2008, respectively.

1. DESCRIPTION OF PLAN (Continued)

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

Payment of Benefits

Employees are eligible for retirement benefits upon reaching age 65. Upon termination of service due to death, disability, or retirement, a participant or their beneficiary may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or distributions based on various annuity options or fixed income payments. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. Participating employees may take financial hardship withdrawals under prescribed circumstances, up to the value of vested contributions to their account.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States.

Current accounting guidance requires that fully benefit-responsive investment contracts held by a defined-contribution plan are to be reported at fair value. However, contract value is the relevant measurement attribute for the portion of net assets available for benefits of a defined contribution plan that is attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan.

The Plan invests in investment contracts through a common/collective trust and, as required by current accounting guidance, presents the fair value of the investment in common/collective trust as well as the adjustment of the investment in the common/collective trust from fair value to contract value relating to the investment contracts in the Statement of Net Assets Available for Benefits. The Statement of Changes in Net Assets Available for Benefits is presented on a contract value basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's assets are invested in various investments through Schwab, the plan custodian. Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Payment of Benefits

Benefits are recorded when paid.

Risks and Uncertainties

The Plan's assets include various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to the value of such investments, changes in the values of investments will occur and such changes could materially affect the amounts reported in the accompanying financial statements.

Reclassification

In order to facilitate comparison of financial information, certain amounts reported in the prior year have been reclassified to conform with the current year presentation.

3. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Current accounting guidance establishes a fair value hierarchy based on the transparency of inputs participants use to price an asset or liability. The fair value hierarchy priorities these inputs into the following three levels:

Level 1 Inputs - Unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date.

Level 2 Inputs - Inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.), or inputs that are derived principally from or corroborated by market data by correlation or other means.

Level 3 Inputs - Unobservable inputs for determining the fair value of the asset or liability and are based on the entity's own assumptions about the assumptions that market participants would use to price the asset or liability

A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

Our valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While we believe our valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at each measurement date.

3. FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes our assets measured at fair value on a recurring basis at December 31, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Vanguard 500 Index	\$ 13,363,738	\$ -	\$ -	\$ 13,363,738
Vanguard Short-Term Bond Index	7,914,698	-	-	7,914,698
Vanguard Total Intl Stock Index	7,535,647	-	-	7,535,647
Oakmark Equity & Income I	7,032,272	-	-	7,032,272
Vanguard Target Retirement 2025	5,895,715	-	-	5,895,715
Vanguard Target Retirement 2035	4,781,440	-	-	4,781,440
Royce Pennsylvania Mutual Invmt	4,700,536	-	-	4,700,536
Vanguard Mid Cap Index	4,681,663	-	-	4,681,663
Vanguard Target Retirement 2015	2,735,569	-	-	2,735,569
Vanguard Long-Term Bond Index	2,423,351	-	-	2,423,351
PIMCO Total Return Admin	2,406,290	-	-	2,406,290
Vanguard Target Retirement 2045	2,372,163	-	-	2,372,163
Growth Fund of America R4	1,669,123	-	-	1,669,123
Vanguard Target Retirement Income	1,576,781	-	-	1,576,781
Allianz NFJ Dividend Value Admin	893,069	-	-	893,069
Vanguard Target Retirement 2020	635,213	-	-	635,213
Perkins Mid Cap Value T	556,040	-	-	556,040
Janus Enterprise T	417,490	-	-	417,490
Columbia Acorn Z	311,357	-	-	311,357
Vanguard Target Retirement 2030	226,398	-	-	226,398
Columbia Small Cap Value I Z	220,230	-	-	220,230
Vanguard Target Retirement 2040	118,539	-	-	118,539
Fidelity Balanced	4,519	-	-	4,519
Bridgeway Ultra-Small Company				
Market	1,867	-	-	1,867
FNFG common stock	27,103,092	-	-	27,103,092
Common/collective trust fund	-	4,813,771	-	4,813,771
Money market accounts	3,027,983	-	-	3,027,983
Participant loans	-	-	2,667,520	2,667,520
	<u>\$ 102,604,783</u>	<u>\$ 4,813,771</u>	<u>\$ 2,667,520</u>	<u>\$ 110,086,074</u>

The fair value of the mutual funds, FNFG common stock, and money market accounts are estimated using unadjusted quoted prices for identical assets in active markets. The underlying assets owned by the common/collective trust fund consist primarily of guaranteed investment contracts. While the majority of the common/collective trust fund's investments are valued using Level 1 inputs, the fair value of the Plan's interest in the fund is determined using Level 2 inputs. Participant loans are valued at their outstanding balances, an unobservable input, which approximates fair value.

3. FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes our assets measured at fair value on a recurring basis at December 31, 2008:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 50,576,715	\$ -	\$ -	\$ 50,576,715
FNFG common stock	28,672,046	-	-	28,672,046
Common/collective trust fund	-	2,976,129	-	2,976,129
Money market accounts	3,928,316	-	-	3,928,316
Participant loans	-	-	2,018,877	2,018,877
	<u>\$ 83,177,077</u>	<u>\$ 2,976,129</u>	<u>\$ 2,018,877</u>	<u>\$ 88,172,083</u>

The table listed below provides a reconciliation of the beginning and ending balances for the Plan's assets measured at fair value and classified as Level 3 for the years ended December 31, 2009 and 2008.

<u>Fair Value Measurements Using Unobservable Inputs (Level 3)</u>	<u>Participant Loans</u>
Balance as of January 1, 2009	\$ 2,018,877
Issuances, repayments and settlements, net	648,643
Balance as of December 31, 2009	<u>\$ 2,667,520</u>

<u>Fair Value Measurements Using Unobservable Inputs (Level 3)</u>	<u>Participant Loans</u>
Balance as of January 1, 2008	\$ 1,939,077
Issuances, repayments and settlements, net	79,800
Balance as of December 31, 2008	<u>\$ 2,018,877</u>

4. INVESTMENTS

Beginning January 1, 2009, contributions to the Plan are invested under a service agreement with Schwab as trustee. Prior to January 1, 2009, contributions to the Plan were invested under a service agreement with First Niagara Bank as trustee and Fidelity as custodian. Plan participants may allocate their funds among one or more of the following investment accounts:

- Allianz NFJ Dividend Value Admin Fund – A mutual fund that seeks growth of capital and income. It invests a large portion of its net assets in common stocks and other equity securities of companies that are expected to pay dividends.
- Schwab Retirement Advantage Money Fund- A money market fund that seeks the highest current income along with the consistent stability of capital and liquidity. The fund invests in high-quality short-term money market investments.
- Bridgeway Ultra-Small Company Market Fund – A mutual fund that seeks to provide a long-term total return of capital primarily through capital appreciation. It is comprised mainly of ultra-small company stocks.
- Columbia Acorn Z Fund – A mutual fund that seeks to provide a long-term return of capital mainly through capital appreciation. The fund invests a majority of its net assets in the common stock of small- and mid-sized companies.

4. INVESTMENTS (Continued)

- Growth Fund of America R4 - A mutual fund that seeks to provide you with growth of capital. The fund invests primarily in common stocks and seeks to invest in companies that appear to offer superior opportunities of growth in capital.
- Janus Enterprise T Fund - A mutual fund that seeks long-term capital growth, consistent with preservation of capital and balanced by current income. It normally invests in equity securities selected for growth and income potential and fixed income senior securities.
- Oakmark Equity & Income I Fund- A mutual fund that seeks income, preservation, and growth in capital. It invests a large portion of its total assets in common stock and U.S. government and debt securities.
- Royce Pennsylvania Mutual Investment Fund- A mutual fund that seeks a long-term growth of capital. It invests the Fund's assets primarily in the equity securities of small-cap and micro-cap companies.
- PIMCO Total Return Admin Fund - A mutual fund that seeks maximum total return, consistent with preservation of capital. It's comprised of bonds, debt securities and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities.
- Vanguard Short-Term Bond Index Fund- The fund seeks to track the performance of a broad, market-weighted bond index. It invests by sampling the index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key risk factors and other characteristics. All of the fund's investments will be selected through the sampling process, and at the majority of the fund's assets will be invested in bonds held in the Index.
- Morley Stable Value Fund- The fund seeks low volatility, stable principal value, and consistent returns on a component of their retirement investments. It invests in low-risk, moderate yield investments.
- Vanguard Total International Stock Fund – A mutual fund that seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in Europe, the Pacific region, and emerging markets countries. It is comprised of investments in three other Vanguard funds – the Vanguard European Stock Index Fund, the Vanguard Pacific Stock Index Fund, and Vanguard Emerging Markets Stock Index Fund.
- Vanguard Short Term Bond Fund – A mutual fund that seeks to track performance of a market-weighted bond index with a short-term dollar-weighted average maturity. It consists of medium and larger issues of U.S. government, investment grade corporate, and investment grade international dollar-denominated bonds that have maturities between 1 and 5 years and are publicly traded.
- Vanguard 500 Index Fund – A mutual fund that seeks to track the performance of a benchmark index that measures the investment return of large capitalization stocks.
- Perkins Mid Cap Value Fund - A mutual fund that seeks capital appreciation. The Fund invests primarily in common stocks selected for their capital appreciation potential.
- Fidelity Balanced Fund – A mutual fund that seeks income and capital growth consistent with reasonable risk. It is comprised of stocks and other equity securities, bonds, debt securities, and fixed income senior securities.

4. INVESTMENTS (Continued)

- Vanguard Long-Term Bond Fund – A mutual fund which seeks to track the performance of a market-weighted bond index with a long term dollar-weighted average maturity. It consists of medium and larger issues of U.S. government, investment grade corporate, and investment grade international dollar-denominated bonds that have maturities greater than 10 years and are publicly traded.
- Vanguard Target Retirement 2015 Fund – A mutual fund which seeks to provide capital appreciation and current income consistent with its asset allocation. The fund invests in other Vanguard funds according to an asset allocation strategy designed for investors planning to retire in or within a few years of 2015.
- Vanguard Target Retirement 2020 Fund – A mutual fund which seeks to provide capital appreciation and current income consistent with its asset allocation. The fund invests in other Vanguard funds according to an asset allocation strategy designed for investors planning to retire in or within a few years of 2020.
- Vanguard Target Retirement 2025 Fund - A mutual fund which seeks to provide capital appreciation and current income consistent with its asset allocation. The fund invests in other Vanguard funds according to an asset allocation strategy designed for investors planning to retire in or within a few years of 2025.
- Vanguard Target Retirement 2030 Fund – A mutual fund which seeks to provide capital appreciation and current income consistent with its asset allocation. The fund invests in other Vanguard funds according to an asset allocation strategy designed for investors planning to retire in or within a few years of 2030.
- Vanguard Target Retirement 2035 Fund - A mutual fund which seeks to provide capital appreciation and current income consistent with its asset allocation. The fund invests in other Vanguard funds according to an asset allocation strategy designed for investors planning to retire in or within a few years of 2035.
- Vanguard Target Retirement 2040 Fund – A mutual fund which seeks to provide capital appreciation and current income consistent with its asset allocation. The fund invests in other Vanguard funds according to an asset allocation strategy designed for investors planning to retire in or within a few years of 2040.
- Vanguard Target Retirement 2045 Fund - A mutual fund which seeks to provide capital appreciation and current income consistent with its asset allocation. The fund invests in other Vanguard funds according to an asset allocation strategy designed for investors planning to retire in or within a few years of 2045.
- Vanguard Target Retirement Income Fund – A mutual fund which seeks to provide current income and some capital appreciation. It consists of investments in other Vanguard mutual funds.
- Vanguard Mid Cap Index Fund – A mutual fund that seeks to track the performance of a benchmark index that measures the investment return of mid-capitalization stocks.

Participants may also invest in First Niagara Financial Group, Inc. common stock (party-in-interest).

4. INVESTMENTS (Continued)

At December 31, 2009 and 2008, the fair values of investments that represent 5% or more of the Plan's net assets were as follows:

	<u>2009</u>	<u>2008</u>
Vanguard 500 Index Fund	\$ 13,363,738	\$ 10,700,214
Vanguard Short Term Bond Fund	7,914,698	7,319,145
Vanguard Total International Fund	7,535,647	4,429,448
Oakmark Equity Income Fund	7,032,272	-
Vanguard Target Retirement 2025 Fund	5,895,715	4,947,350
Fidelity Balanced Fund	-	5,815,519
FNFG common stock	27,103,092	28,672,046

Net appreciation (depreciation) in fair value of investments, including realized gains (losses) on investments sold during the years ended December 31, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Mutual funds	\$ 11,580,197	\$ (21,674,801)
FNFG common stock	(3,614,609)	7,314,439
Common/collective trust fund	<u>83,185</u>	<u>(11,977)</u>
	<u>\$ 8,048,773</u>	<u>\$ (14,372,339)</u>

5. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	<u>2009</u>	<u>2008</u>
Net assets available for benefits per the financial statements	\$ 110,071,320	\$ 88,494,386
Adjustment from contract value to fair value	<u>22,693</u>	<u>11,977</u>
Net assets available for benefits per Form 5500	<u>\$ 110,094,013</u>	<u>\$ 88,506,363</u>

The following is a reconciliation of changes in net assets available for benefits per the financial statements to the Form 5500:

	<u>2009</u>	<u>2008</u>
Net increase(decrease) in net assets per financial statements	\$ 21,576,934	\$ (11,062,368)
Adjustment from contract value to fair value	<u>10,716</u>	<u>11,977</u>
Net increase(decrease) in net assets per Form 5500	<u>\$ 21,587,650</u>	<u>\$ (11,050,391)</u>

6. TAX STATUS

The Internal Revenue Service has determined and informed the company by letter dated May 5, 2003, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (the Code). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code.

The Plan files the Annual Return/Report of Employee Benefit Plan (Form 5500) in the U.S. federal jurisdiction. The Plan is no longer subject to U.S. federal tax examinations for years before 2006.

7. PARTY IN INTEREST TRANSACTIONS

Dividend income earned on FNFG common stock totaled \$1,034,295 and \$1,003,567 for the years ended December 31, 2009 and 2008, respectively.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 24, 2010, which is the date the financial statements were available to be issued.

On January 22, 2010 the shareholders of Harleysville National Corporation (Harleysville) approved a merger of Harleysville with and into the Company. The merger was completed in April 2010, at which time Harleysville employees retained by the Company became eligible to participate in the Plan, in accordance with the Plan documents, and were credited for their years of service with Harleysville.

FIRST NIAGARA FINANCIAL GROUP 401(k) PLAN

Schedule H, line 4(i) - Schedule of Assets (Held at End of Year) December 31, 2009

(a)	(b) Identity of Issuer	(c) Description of Investment	(d) Fair Value
		<u>Money Market Accounts:</u>	
*	Charles Schwab Trust Co.	Schwab Retirement Advantage Money	\$ 3,027,983
		<u>Common/Collective Trust Fund:</u>	
	Principal Funds Distributor, Inc.	Morley Stable Value Fund	4,813,771
		<u>Mutual Funds:</u>	
	The Vanguard Group	Vanguard 500 Index Fund	13,363,738
	The Vanguard Group	Vanguard Short-Term Bond Index	7,914,698
	The Vanguard Group	Vanguard Total Intl Stock Index	7,535,647
	The Oakmark Funds	Oakmark Equity & Income I	7,032,272
	The Vanguard Group	Vanguard Target Retirement 2025	5,895,715
	The Vanguard Group	Vanguard Target Retirement 2035	4,781,440
	Royce Fund Services, Inc.	Royce Pennsylvania Mutual Invmt	4,700,536
	The Vanguard Group	Vanguard Mid Cap Index	4,681,663
	The Vanguard Group	Vanguard Target Retirement 2015	2,735,569
	The Vanguard Group	Vanguard Long-Term Bond Index	2,423,351
	Allianz Global Investors Distributors LLC	PIMCO Total Return Admin	2,406,290
	The Vanguard Group	Vanguard Target Retirement 2045	2,372,163
	American Funds Distributors	Growth Fund of America R4	1,669,123
	The Vanguard Group	Vanguard Target Retirement Income	1,576,781
	Allianz Global Investors Distributors LLC	Allianz NFJ Dividend Value Admin	893,069
	The Vanguard Group	Vanguard Target Retirement 2020	635,213
	Janus Distributors LLC	Perkins Mid Cap Value T	556,040
	Janus Distributors LLC	Janus Enterprise T	417,490
	Columbia Management Investment Distributors, Inc.	Columbia Acorn Z	311,357
	The Vanguard Group	Vanguard Target Retirement 2030	226,398
	Columbia Management Investment Distributors, Inc.	Columbia Small Cap Value I Z	220,230
	The Vanguard Group	Vanguard Target Retirement 2040	118,539
	Fidelity Distributors Corporation	Fidelity Balanced	4,519
	Foreside Fund Services, LLC	Bridgeway Ultra-Small Company Market	1,867
			72,473,708
*	First Niagara Financial Group, Inc.	Common Stock	27,103,092
*	Participant Loans	Interest rates range from 4.00% to 10.25%	2,667,520
			<u>\$ 110,086,074</u>

* Denotes party-in-interest

The accompanying notes are an integral part of this schedule.

FIRST NIAGARA FINANCIAL GROUP 401(k) PLAN

Schedule H, line 4(i) - Schedule of Assets (Held at End of Year)
December 31, 2009

(a)	(b) Identity of Issuer	(c) Description of Investment	(d) Fair Value
		<u>Money Market Accounts:</u>	
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* Denotes party-in-interest

The accompanying notes are an integral part of this schedule.