

<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 HARLEYSVILLE NATIONAL CORPORATION 401(K) PLAN	1b Three-digit plan number (PN) ▶ 001
		1c Effective date of plan 01/01/1947
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) HARLEYSVILLE NATIONAL CORPORATION C/O FIRST NIAGARA FINANCIAL GROUP,I 726 EXCHNAGE STREET,SUITE 618 BUFFALO, NY 14210	2b Employer Identification Number (EIN) 23-0672885 2c Sponsor's telephone number 215-256-8851 2d Business code (see instructions) 522110

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.	10/15/2010	JULIE LAFOREST
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	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") HARLEYSVILLE NATIONAL CORPORATION C/O FIRST NIAGARA FINANCIAL GROUP, I 726 EXCHNAGE STREET, SUITE 618 BUFFALO, NY 14210	3b Administrator's EIN 23-0672885 3c Administrator's telephone number 215-256-8851
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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	1040
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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	1017
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	247
d Subtotal. Add lines 6a , 6b , and 6c	6d	1264
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	1264
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	1258
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	175

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 3D 3C 2S 2T

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 Name of plan</div> <div>HARLEYSVILLE NATIONAL CORPORATION 401(K) PLAN</div>	<div>B Three-digit plan number (PN)</div> <div>▶</div> <div>001</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500</div> <div>HARLEYSVILLE NATIONAL CORPORATION</div>	<div>D Employer Identification Number (EIN)</div> <div>23-0672885</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

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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)

CHEC EMPLOYEE BENEFIT CONSULTANTS

23-0681698

(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?
15	RECORDKEEPER	42360	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

CHEC, INC.

26-4620060

(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?
15	RECORDKEEPER	16191	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 ☐

(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
(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.	
(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 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
(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

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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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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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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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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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)

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 HARLEYSVILLE NATIONAL CORPORATION 401(K) PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 HARLEYSVILLE NATIONAL CORPORATION	D Employer Identification Number (EIN) 23-0672885

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)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	3641019
(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)	534885	438318
(9) Value of interest in common/collective trusts.....	1c(9)	248422	89051
(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)	22401577	24090109
(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)	2030947	1044753
(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	25215831	29303250

Liabilities

g Benefit claims payable	1g		19853
h Operating payables	1h	500	0
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	500	19853

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	25215331	29283397
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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)	685642	
(B) Participants	2a(1)(B)	3278630	
(C) Others (including rollovers)	2a(1)(C)	18818	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		3983090

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	11009	
(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)	30864	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		41873

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	15866	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		15866

(3) Rents	2b(3)		
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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)	1724	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		1724
(6) Net investment gain (loss) from common/collective trusts	2b(6)		-16489
(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)		4028199
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		8054263

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3903793	
(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)		3903793
f Corrective distributions (see instructions)	2f		19853
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	62551	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		62551
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		3986197

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		4068066
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: GRANT THORNTON, LLP

(2) EIN: 36-6055558

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		8000000
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>HARLEYSVILLE NATIONAL CORPORATION 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HARLEYSVILLE NATIONAL CORPORATION</u>	D Employer Identification Number (EIN) <u>23-0672885</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	<u>0</u>
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>23-2878047</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
-----------------	-------------------

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
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

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): _____

Financial Statements and Report of Independent
Certified Public Accountants

Harleysville National Corporation 401(k) Plan

December 31, 2009 and 2008

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Report of Independent Certified Public Accountants

The Qualified Retirement Plans Committee of
First Niagara Financial Group, Inc.
Harleysville National Corporation 401(k) Plan

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We have audited the accompanying statements of net assets available for benefits of the Harleysville National Corporation 401(k) Plan (the Plan) as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009. 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 of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Plan as of December 31, 2009 and 2008, and the changes in net assets available for benefits for the year ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for purpose of additional analysis and is not a required part of the basic financial statements, but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule has been subject to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Grant Thornton LLP
Philadelphia, Pennsylvania

October 13, 2010

Harleysville National Corporation 401(k) Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2009	2008
ASSETS		
Investments, at fair value:		
Money market funds	\$ 3,641,019	\$ 3,601,526
Mutual funds	24,090,109	18,800,051
Stable value fund	89,051	67,802
Institutional trust	-	180,620
Common stocks	1,044,753	2,030,947
Participant loans	438,318	534,885
Total investments	29,303,250	25,215,831
LIABILITIES		
Payable for loan administration fees	-	500
Benefits payable	19,853	-
Total liabilities	19,853	500
TOTAL INVESTMENTS AND NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 29,283,397</u>	<u>\$ 25,215,331</u>

The accompanying notes are an integral part of these statements.

Harleysville National Corporation 401(k) Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31, 2009

Additions to assets:

Investment income:

Net appreciation in fair value of investments	\$ 3,561,655
Interest and dividend income	<u>509,518</u>

Total investment income	4,071,173
-------------------------	-----------

Contributions:

Employee	3,278,630
Employer	685,642
Rollover	<u>18,818</u>

Total contributions	3,983,090
---------------------	-----------

Total additions	8,054,263
-----------------	-----------

Deductions from assets:

Benefits paid to participants	3,923,646
Loan and administrative fees	<u>62,551</u>

Total deductions	<u>3,986,197</u>
------------------	------------------

NET INCREASE	4,068,066
--------------	-----------

NET ASSETS AVAILABLE FOR BENEFITS - beginning of year	<u>25,215,331</u>
---	-------------------

NET ASSETS AVAILABLE FOR BENEFITS - End of year	<u><u>\$29,283,397</u></u>
---	----------------------------

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

NOTE A - DESCRIPTION OF THE PLAN

The following description of the Harleysville National Corporation 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.

1. General

The Plan is a defined contribution plan covering all employees of Harleysville National Corporation (the Corporation) who have reached the age of 21 and have completed three months of service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

2. Contributions

Each year, participants may contribute on a before-tax basis up to the Internal Revenue Service maximum allowable limit, as defined in the Plan. Participants may also contribute up to 10% of after-tax compensation. The Corporation matches 50% of the first 6% of base compensation that a participant contributes to the Plan. Additional amounts may be contributed at the option of the Corporation's board of directors. Contributions are subject to certain limitations. The Plan was amended effective January 1, 2008 to enhance the Plan by providing a company funded basic contribution to eligible employees in the amount of 2% of eligible compensation and also to provide automatic enrollment of newly eligible employees, eliminate true-up calculations, change the definition of compensation to include bonus earnings, add a qualified default investment alternative and reduce the eligibility service requirement from six to three months. These changes were part of the Corporation's restructuring of its retirement programs. On March 12, 2009, the Corporation's Board of Directors approved an amendment to the Plan providing for the suspension of the Corporation's basic and matching contributions effective for the April 17, 2009 employee bi-weekly pay period until further notice by the Board of Directors. This action was part of the Corporation's expense reduction plan.

3. Participant Accounts

Each participant's account is credited with the participant's contribution and allocation of (a) the Corporation's contribution and, (b) Plan earnings, and charged with an allocation of investment fees. 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.

4. Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Corporation's matching and discretionary contribution portion of their accounts plus actual earnings thereon is based on years of continuous service, as defined. A participant is 100% vested after five years of credited service. Participants attaining their normal retirement age and those who become disabled or die are entitled to 100% of their accrued benefits, regardless of credited service period.

(Continued)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009 and 2008

NOTE A - DESCRIPTION OF THE PLAN - Continued

Benefits not vested upon a participant's separation from service are forfeited and first used to reinstate previously forfeited balances of former employees, with any remaining portion used to pay plan expenses, or reduce future employer contributions.

5. Investment Options

The Plan administrator is Harleysville National Bank and Trust Company (Harleysville National Bank). Participants are able to direct current and future employee and employer contributions in any of the Plan's investment options with a limit of up to 20% of their voluntary contributions, matching contributions and loan repayments into the Corporation's common stock. The Plan currently offers various mutual funds, a stable value fund and an institutional trust as well as the Corporation's common stock as investment options for participants. The Plan was amended effective January 1, 2008 to reflect the 20% restriction with respect to the investment of nonelective contributions (the basic employer contributions) in the Corporation's stock. The Plan was further amended effective November 1, 2008 to allow participants to direct up to 20% of their elective deferrals, rollover contribution or total plan balance into the Corporation's common stock. Previously, participants were not permitted to direct rollover contributions to, or to rebalance their account allocation in, the Corporation's stock.

6. Participant Loans

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to \$50,000 or 50% of their account balance, reduced by the highest outstanding loan balance in the prior 12-month period. Loan terms range from one to five years, with longer terms available for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at the five year certificate of deposit rate on the day the loan application is received plus 2%. Principal and interest are paid ratably through monthly payroll deductions and go back into the participant's account. A fee based on the loan term is charged to cover administrative costs.

7. Payment of Benefits

On termination of service for any reason, a participant 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 annual installments over an agreed-upon period.

If a participant does not elect to have a mandatory distribution of benefits greater than \$1,000 and less than \$5,000 paid directly to an eligible retirement plan specified by the participant in a direct rollover or to receive the distribution directly, then the Plan administrator will pay the distribution in a direct rollover to an individual retirement plan designated by the Plan administrator. This is in accordance with the automatic rollover provisions under Section 401(a)(31)(B) of the Internal Revenue Code (the Code) as amended by the Economic Growth and Tax Relief Reconciliation Act of 2001.

8. Forfeited Accounts

At December 31, 2009 and 2008, forfeited nonvested accounts totaled \$99,378 and \$68,060, respectively. These accounts will first be used to reinstate previously forfeited balances of former employees, with any remaining portion being used to pay plan expenses, or reduce future employer contributions.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009 and 2008

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

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

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of the Plan 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. As of December 31, 2009 and 2008, the Corporation's investments in the stable value fund and institutional trust were not considered material to the Plan's financial statements; therefore, no adjustments to contract value were presented in the Statements of Net Assets Available for Benefits.

2. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

3. Cash and Cash Equivalents

Cash and cash equivalents represent temporary cash funds maintained by Charles Schwab Trust Company in a sweep money market fund.

4. Investment Valuation and Income Recognition

The Plan's 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 D - Fair Value Measurements for additional information.

The change in fair value of investments during the year is the difference between the fair value at the end of the year and the fair value at the beginning of the year or the cost of investments acquired during the year and is reflected in the statement of changes in net assets available for benefits as net appreciation in fair value of investments. Participant loans are valued at principal balance, which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Gain or loss on the sale of securities is based on the specific identification method. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

(Continued)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009 and 2008

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. Loan and Administrative Expenses

All major loan and administrative expenses of the Plan are paid by the Plan unless otherwise paid by the Corporation at the Corporation's discretion. Administrative expenses include trustee fees.

6. Payment of Benefits

Benefit payments to participants are recorded when paid.

7. Concentration of Credit Risk

The Plan maintains its cash balances with a third party which may at times exceed federally insured limits. The Plan has not experienced any losses in such accounts. The Plan administrator believes the Plan is not exposed to any significant credit risk on cash and cash equivalents

8. Risks and Uncertainties

The Plan invests in various 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 investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

9. Reclassification

Certain reclassifications have been made to the 2008 financial statements to conform to the 2009 presentation. The reclassification has no effect on the change in net assets available for benefits.

10. Adoption of New Accounting Guidance

In April 2009, the Financial Accounting Standards Board (FASB) issued updates to the initial fair value measurements and disclosures guidance. The guidance expanded disclosures and required that major categories for equity securities in the fair value hierarchy table be classified and presented according to the nature and risks of the investments. The implementation did not require any new fair value measurements and there is no impact on the financial position of the Plan as a result of the implementation.

In September 2009, the FASB amended the fair value measurements and disclosures guidance for investments that calculate net asset per share (or its equivalent). The amendment is effective for the first reporting period ending after December 15, 2009, and expands the required disclosures for certain investments with a reported net asset value (NAV). The Plan has adopted both changes to the fair value measurements and disclosures guidance on a prospective basis for the year ended December 31, 2009. Adoption did not have a material impact on the fair value determination and disclosure of applicable investments.

(Continued)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009 and 2008

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In July 2009, the FASB established the FASB Accounting Standards Codification (ASC) as the source of authoritative accounting principles recognized by the FASB to be applied by non-governmental entities in the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP). Rules and interpretive releases of the U.S. Securities and Exchange Commission (SEC) under authority of Federal securities laws are also sources of authoritative US GAAP for SEC registrants. The ASC supersedes all existing non-SEC accounting and reporting standards and is not intended to change US GAAP. The use of the ASC was effective for financial statements issued for periods ending after September 15, 2009.

NOTE C - INVESTMENTS

The Plan's investments are held at Charles Schwab Trust Company, Trustee of the Plan. Investments that represent 5% or more of the Plan's assets at December 31, 2009 and 2008, are as follows:

	December 31,	
	2009	2008
Investments at fair value as determined by quoted market price		
Money market funds		
Schwab Value Advantage	\$ 3,114,082	\$ 3,395,324
Mutual funds		
American Funds Fundamental Investors	1,764,227	1,377,660
Columbia Acorn Z	1,802,467	1,386,738
PIMCO Total Return C1 D	2,021,946	1,919,474
Schwab Market Track Balanced	1,883,528	1,787,813
Schwab S&P 500	3,319,621	2,746,564
UMB Scout WorldWide	1,777,307	1,962,158
Turner Core Growth II	2,838,890	2,395,549
Common stocks		
Harleysville National Corporation	*	2,030,947

* Indicates investment does not represent 5% or more of the Plan's net assets at December 31, 2009 and 2008.

During 2009 the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value by \$3,561,555 as follows:

	Year ended December 31, 2009
Mutual funds, stable value fund and institutional trust	\$ 4,679,265
Common stocks	<u>(1,117,610)</u>
	<u>\$ 3,561,655</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009 and 2008

NOTE D - 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.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Money market fund: Stated at fair value as determined by Trustee.

Mutual funds: Valued at the net asset value (NAV) of shares held by the Plan at year-end.

Stable value fund / Institutional trust fund: Valued based on the fair value of the stable value's and institutional trust's underlying investments using information reported by the investment advisor.

Common stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Participant loans: Valued at amortized cost, which approximates fair value.

(Continued)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009 and 2008

NOTE D - FAIR VALUE MEASUREMENTS - Continued

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009:

Description	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance December 31, 2009
Mutual funds:				
Blend funds	\$ 8,971,698	\$ -	\$ -	\$ 8,971,698
Value funds	1,606,315	-	-	1,606,315
Bond funds	4,634,239	-	-	4,634,239
Growth funds	8,520,512	-	-	8,520,512
Allocation funds	236,034	-	-	236,034
Commodities funds	<u>121,312</u>	<u>-</u>	<u>-</u>	<u>121,312</u>
Total mutual funds	<u>24,090,109</u>	<u>-</u>	<u>-</u>	<u>24,090,109</u>
Stable value fund	-	89,051	-	89,051
Money market fund	3,641,019	-	-	3,641,019
Common stock	1,044,753	-	-	1,044,753
Participant loans	<u>-</u>	<u>-</u>	<u>438,318</u>	<u>438,318</u>
Total assets at fair value	<u>\$ 28,775,881</u>	<u>\$ 89,051</u>	<u>\$ 438,318</u>	<u>\$ 29,303,250</u>

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December, 31, 2009:

Participant loans	
Balance, beginning of year	\$ 534,885
Purchases, sales, issuances and settlements (net)	<u>(96,567)</u>
Balance, end of year	<u>\$ 438,318</u>

(Continued)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009 and 2008

NOTE D - FAIR VALUE MEASUREMENTS - Continued

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2008:

Description	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance December 31, 2008
Mutual funds	\$ 18,799,551	\$ -	\$ -	\$ 18,799,551
Money market funds	3,601,526	-	-	3,601,526
Stable value fund	-	67,802	-	67,802
Institutional trust fund	-	180,620	-	180,620
Common stock	2,030,947	-	-	2,030,947
Participant loans	-	-	534,885	534,885
Total assets at fair value	<u>\$ 24,432,024</u>	<u>\$ 248,422</u>	<u>\$ 534,885</u>	<u>\$ 25,215,331</u>

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2008:

Participant loans	
Balance, beginning of year	\$ 573,562
Purchases, sales, issuances and settlements (net)	<u>(38,677)</u>
Balance, end of year	<u>\$ 534,885</u>

NOTE E - PARTY-IN-INTEREST TRANSACTIONS

A portion of the Plan's assets is in common stock of the Corporation. Investments included 162,481 and 140,647 shares of the Corporation's common stock valued at \$1,044,753 and \$2,030,947 as of December 31, 2009 and 2008, respectively. In addition, the Plan invests in institutional trust, stable value and mutual funds managed by the trustee, Charles Schwab Trust Company. Trustee fees paid by the Plan to Charles Schwab Trust Company were \$0 and \$8,756 for the years ended December 31, 2009 and 2008, respectively.

NOTE F - PLAN TERMINATION

On April 9, 2010, the Corporation was acquired by First Niagara Financial Group, Inc. (FNFG). In connection with the acquisition, the Board of Directors of the Corporation resolved to terminate the plan as of April 9, 2010 subject to the receipt of approval from the Internal Revenue Service (IRS). The Application of Determination for Terminating Plan (Form 5310) was filed with the IRS on August 13, 2010. Upon termination of the Plan, each participant will become 100% vested in his or her account. The interest of each participant will be distributed to such participant or his or her beneficiary in accordance with the terms of the Plan document and the Internal Revenue Code (IRC).

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009 and 2008

NOTE G - INCOME TAX STATUS

The IRS has determined and informed the Corporation by a letter dated January 19, 2005, that the Plan and related trust and all applicable amendments adopted as of September 24, 2003 were designed in accordance with Section 401(a) of the Code and therefore exempt from federal income taxes under the provisions of Section 501(a) of the Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code.

NOTE H - ACQUISITION

Effective December 5, 2008, the Corporation completed its acquisition of Willow Financial Bancorp, Inc. and its subsidiaries (Willow Financial). Under the terms of the merger agreement, Willow Financial employees who continued their employment with the Corporation received credit for years of service with Willow Financial for purposes of eligibility and vesting, but not for purposes of calculating benefit amounts. Willow Financial sponsored a 401(k)/ESOP defined contribution plan for the benefit of its employees which was terminated on December 5, 2008 and assets are being distributed to participants following IRS approval which was received on June 29, 2010.

NOTE I - SUBSEQUENT EVENTS

Plan management evaluated its December 31, 2009 financial statements for subsequent events through October 13, 2010 which is the date the financial statements were available to be issued. The Plan is not aware of any additional subsequent events that would require recognition or disclosure in the financial statements.

SUPPLEMENTAL INFORMATION

Harleysville National Corporation 401(k) Plan

EIN 23-0672885

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2009

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value	(d) Current value
		<u>Money Market Funds</u>	
*	Schwab US Treasury Fund	502,394 units	\$ 502,394
*	Schwab Retirement Advantage	24,543 units	24,543
*	Schwab Value Advantage	3,114,082 units	<u>3,114,082</u>
		Total Money Market Funds	3,641,019
		<u>Mutual Funds</u>	
	Allianz CCM Mid Cap	19,263 units	382,567
	American Beacon International Equity	22,377 units	349,972
	American Funds Europacific Growth Fund	10,388 units	391,427
	American Funds Fundamental Investors	54,001 units	1,764,227
	American Funds Growth Fund of America	40,167 units	1,081,685
	Artisan International Investors	15,327 units	316,663
	Calamos Convertible Fund	6,358 units	119,475
	Cohen & Steers Realty Shares	3,217 units	151,378
	Columbia Acorn Z	73,034 units	1,802,467
	Dreyfus Bond Market Index	51,615 units	531,634
	First American Mid Cap	29,115 units	580,262
	Forward International Small Co	11,802 units	143,394
	Kalmar Growth with Small Value Cap	11,105 units	135,364
	Loomis Sayles Small Cap Value	27,019 units	573,613
	MFS Value Fund	9599 units	199,380
	Morgan Stanley Small Cap Value	4,574 units	94,134
	PIMCO All Asset	20,650 units	236,034
	PIMCO Commodity Real Return Strategy	14,794 units	121,312
	PIMCO High Yield	19,291 units	169,762
	PIMCO Low Duration	46,813 units	481,701
	PIMCO Total Return CI A	120,849 units	1,305,165
	PIMCO Total Return CI D	187,217 units	2,021,946
	Royce Total Return	13,091 units	141,513

(Continued)

Harleysville National Corporation 401(k) Plan

EIN 23-0672885

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR) - CONTINUED

December 31, 2009

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value	(d) Current value
	Royce Total Return Service	12,211 units	\$ 131,996
*	Schwab Market Track Balanced	135,897 units	1,883,528
*	Schwab S&P 500	191,443 units	3,319,621
*	Schwab Total Stock Market Index	25,271 units	499,099
	Scout International	60,992 units	1,777,307
	SSgA Emerging Markets	6,005 units	115,296
	TCW Small Cap Growth	4,635 units	107,165
	Turner Core Growth	270,886 units	2,838,890
	Vanguard Explorer	3,457 units	198,101
	Vanguard Inflation Protected Sec	9,883 units	124,031
		Total Mutual Funds	24,090,109
		<u>Stable Value Fund</u>	
*	Schwab Stable Value Fund	4,833 units	89,051
		Total Stable Value Fund	89,051
		<u>Common Stocks</u>	
*	Harleysville National Corporation	162,481 shares	1,044,753
		Total Common Stocks	1,044,753
	Loans to Participants	Interest rates range from 4.3% to 9.5%	438,318
		Total Investments	<u>\$ 29,303,250</u>

* Related party-in-interest

Harleysville National Corporation 401(k) Plan

EIN 23-0672885

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2009

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*	Schwab Value Advantage	3,114,082 units	<u>3,114,082</u>
		Total Money Market Funds	3,641,019
		<u>Mutual Funds</u>	
	Allianz CCM Mid Cap	19,263 units	382,567
	American Beacon International Equity	22,377 units	349,972
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	American Funds Fundamental Investors	54,001 units	1,764,227
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	PIMCO Total Return CI A	120,849 units	1,305,165
	PIMCO Total Return CI D	187,217 units	2,021,946
	Royce Total Return	13,091 units	141,513

(Continued)

Harleysville National Corporation 401(k) Plan

EIN 23-0672885

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR) - CONTINUED

December 31, 2009

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value	(d) Current value
	Royce Total Return Service	12,211 units	\$ 131,996
*	Schwab Market Track Balanced	135,897 units	1,883,528
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*	Schwab Total Stock Market Index	25,271 units	499,099
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	Vanguard Explorer	3,457 units	198,101
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		Total Mutual Funds	24,090,109
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		Total Stable Value Fund	89,051
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*	Harleysville National Corporation	162,481 shares	1,044,753
		Total Common Stocks	1,044,753
	Loans to Participants	Interest rates range from 4.3% to 9.5%	438,318
		Total Investments	<u>\$ 29,303,250</u>

* Related party-in-interest