

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan 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). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
---	---	---

Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 10/01/2009 and ending 09/30/2010	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan THE RETIREMENT PLAN OF THE FIRST NIAGARA FINANCIAL GROUP, INC.	1b Three-digit plan number (PN) ▶ 001
	1c Effective date of plan 01/01/1952
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 716-625-7578 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.	07/15/2011	JULIE LAFOREST
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/15/2011	JULIE 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 716-625-7578
---	---

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

5 Total number of participants at the beginning of the plan year	5	1713
---	----------	------

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	543
b Retired or separated participants receiving benefits.....	6b	433
c Other retired or separated participants entitled to future benefits.....	6c	654
d Subtotal. Add lines 6a , 6b , and 6c	6d	1630
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	46
f Total. Add lines 6d and 6e	6f	1676
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
--	----------	--

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1A 1G 1I 3D

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
---	---

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)
---	---

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
--	--	---

For calendar plan year 2009 or fiscal plan year beginning 10/01/2009 and ending 09/30/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>THE RETIREMENT PLAN OF THE FIRST NIAGARA FINANCIAL GROUP, INC.</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>FIRST NIAGARA FINANCIAL GROUP, INC.</u>	D Employer Identification Number (EIN) <u>42-1556195</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>10</u> Day <u>01</u> Year <u>2009</u>	
2 Assets:	
a Market value	2a <u>65057033</u>
b Actuarial value	2b <u>65057033</u>
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>444</u> <u>36734738</u>
b For terminated vested participants	3b <u>687</u> <u>17082092</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>0</u>
(2) Vested benefits	3c(2) <u>10707628</u>
(3) Total active	3c(3) <u>582</u> <u>10707628</u>
d Total	3d <u>1713</u> <u>64524458</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.70</u> %
6 Target normal cost	6 <u>98901</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>05/12/2011</u>
Signature of actuary	Date
<u>JOHN B. WUKITSCH, ASA</u>	<u>11-05731</u>
Type or print name of actuary	Most recent enrollment number
<u>MILLIMAN, INC.</u>	<u>518-514-7100</u>
Firm name	Telephone number (including area code)
<u>4 CORP. PLAZA, 250 WASH. AVE. EXT.</u> <u>ALBANY, NY 12203-5401</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	18687473	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	192989	0
9	Amount remaining (Item 7 minus item 8).....	18494484	0
10	Interest on item 9 using prior year's actual return of <u>4.46</u> %	824854	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		0
b	Interest on (a) using prior year's effective rate of <u>6.27</u> %		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance.....		
12	Reduction in balances due to elections or deemed elections.....	3000000	
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	16319338	0

Part III Funding percentages			
14	Funding target attainment percentage.....	14	75.53 %
15	Adjusted funding target attainment percentage.....	15	100.83 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	99.35 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	0
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No	
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No	
c If 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of Quarter of this plan year		
(1) 1st	(2) 2nd	(4) 4th
0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 5.12 %	2nd segment: 6.74 %	3rd segment: 6.83 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 2
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	98901
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	98901
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	98901	0
36 Additional cash requirement (item 34 minus item 35).....	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	0
38 Interest-adjusted excess contributions for current year (see instructions).....	38	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ 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 10/01/2009 and ending 09/30/2010		
A Name of plan THE RETIREMENT PLAN OF THE FIRST NIAGARA FINANCIAL GROUP, INC.	B Three-digit plan number (PN) ▶	001
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	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

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

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

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

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

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

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

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

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

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

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

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

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)

MILLIMAN

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	NONE	132619	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 ☐

(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.	

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
(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:

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 <u>10/01/2009</u> and ending <u>09/30/2010</u>		
A Name of plan <u>THE RETIREMENT PLAN OF THE FIRST NIAGARA FINANCIAL GROUP, INC.</u>	B Three-digit plan number (PN) ►	<u>001</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	Asset and Liability Statement
---------------	--------------------------------------

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	<u>30007</u>	<u>60921</u>
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)	<u>1305863</u>	<u>1266329</u>
(2) U.S. Government securities.....	1c(2)	<u>387318</u>	<u>0</u>
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)	<u>484929</u>	<u>228215</u>
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	<u>251533</u>	<u>296023</u>
(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)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(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)	<u>62597383</u>	<u>65849843</u>
(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)		
(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	65057033	67701331

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
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	65057033	67701331
---	----	----------	----------

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)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	24273	
(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)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		24273

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	2073766	
(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)		2073766

(3) Rents	2b(3)		
-----------------	-------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	51663	
(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)		51663

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	4557098	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		4557098
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(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)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		6706800

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3929883	
(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)		3929883
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)	132619	
(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)		132619
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		4062502

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2644298
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 AND COMPANY, 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		15000000
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.).....			
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)

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 10/01/2009 and ending 09/30/2010

A Name of plan <u>THE RETIREMENT PLAN OF THE FIRST NIAGARA FINANCIAL GROUP, INC.</u>	B Three-digit plan number (PN) ▶ <u>001</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	<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>42-1556195</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	<u>28</u>

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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

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: 23% Investment-Grade Debt: 77% 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): _____

**RETIREMENT PLAN OF THE FIRST NIAGARA
FINANCIAL GROUP, INC.**

**Financial Statements as of
September 30, 2010 and 2009
and
Supplemental Schedules
Together with
Independent Auditors' Report**

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

We were engaged to audit the accompanying statements of net assets available for benefits of the Retirement Plan of the First Niagara Financial Group, Inc. (the Plan) as of September 30, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended and the supplemental schedules of assets (held at end of year) and reportable transactions as of and for the year ended September 30, 2010. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 8, which was certified by Charles Schwab Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that Charles Schwab Trust Company holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended September 30, 2010 and 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

July 13, 2011
Williamsville, NY

Bonadio & Co., LLP

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

ROCHESTER • BUFFALO
ALBANY • SYRACUSE
PERRY • GENEVA

www.bonadio.com

RETIREMENT PLAN OF THE FIRST NIAGARA FINANCIAL GROUP, INC.

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
SEPTEMBER 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
ASSETS		
Investments, at fair value:		
Mutual funds	\$ 49,732,980	\$ 45,804,226
Unit investment trusts	14,070,403	14,863,288
Mortgage backed securities	2,046,460	1,929,869
Money market fund	1,266,329	1,305,863
Common stock	296,023	251,533
Corporate debt	228,215	484,929
U.S. government obligations	<u>-</u>	<u>387,318</u>
Total investments	67,640,410	65,027,026
Cash and cash equivalents	<u>60,921</u>	<u>30,007</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 67,701,331</u>	<u>\$ 65,057,033</u>

The accompanying notes are an integral part of these statements.

RETIREMENT PLAN OF THE FIRST NIAGARA FINANCIAL GROUP, INC.

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
ADDITIONS		
Interest and dividends	\$ 2,098,039	\$ 2,680,091
Net appreciation in fair value of investments, including realized gains and losses on sales	<u>4,608,761</u>	<u>179,497</u>
Total additions	6,706,800	2,859,588
DEDUCTIONS		
Benefit payments	3,929,883	3,728,600
Administrative expenses	<u>132,619</u>	<u>98,901</u>
Total deductions	<u>4,062,502</u>	<u>3,827,501</u>
Net increase (decrease)	2,644,298	(967,913)
NET ASSETS AVAILABLE FOR BENEFITS - beginning of year	<u>65,057,033</u>	<u>66,024,946</u>
NET ASSETS AVAILABLE FOR BENEFITS - end of year	<u>\$ 67,701,331</u>	<u>\$ 65,057,033</u>

The accompanying notes are an integral part of these statements.

RETIREMENT PLAN OF THE FIRST NIAGARA FINANCIAL GROUP, INC.

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2010 AND 2009

1. DESCRIPTION OF THE PLAN

The following brief description of the Retirement Plan of the First Niagara Financial Group, Inc. (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General

The Plan is a noncontributory defined benefit pension plan sponsored by First Niagara Financial Group, Inc. (the Company). The Plan, formerly known as The Retirement Plan of First Niagara Financial Group in RSI Retirement Trust, was merged with The Retirement Plan of The Troy Savings Bank in RSI Retirement Trust, and The Retirement Plan of Savings Bank of the Finger Lakes, FSB in RSI Retirement Trust, effective January 3, 2005 and renamed the Retirement Plan of the First Niagara Financial Group, Inc. The Retirement Plan of Hudson River Bank and Trust Company was merged into the Plan effective September 30, 2005. It is subject to the provisions of Employee Retirement Income Security Act of 1974 (ERISA).

The assets of the Plan are maintained by Charles Schwab Trust Company (Schwab), as Trustee and Milliman, Inc., as recordkeeper for the Plan. The Qualified Retirement Plans Committee (QRPC) ensures compliance with the IRC as well as ERISA. The QRPC is responsible for the operation and management of assets for all qualified retirement plans sponsored by the Company. Effective January 1, 2011, the Retirement Benefits Committee (RBC) (formerly known as the Qualified Retirement Plans Committee) shall ensure compliance of all tax-qualified and non-qualified retirement plans maintained by the Company with the Internal Revenue Code (IRC) as well as the ERISA, and other laws and regulations, as applicable.

Effective on the Plan Freeze Dates as listed below, the Company modified the Plan, such that: (a) no employee could commence or recommence participation in the Plan after the Plan Freeze Date, (b) average annual earnings would not include any future compensation after the Plan Freeze Date, and (c) credited service and the accrual of all participants' future benefits ceased. Employment service after the Plan Freeze Date is recognized under the Plan only for purposes of determining vesting service, early retirement eligibility, and eligibility for the special preretirement survivor benefit.

Future benefit accruals ceased as of the following dates for the following plans:

- The Retirement Plan of First Niagara Financial Group in RSI Retirement Trust – February 1, 2002
- The Retirement Plan of Savings Bank of the Finger Lakes, FSB in RSI Retirement Trust – December 31, 2002
- The Retirement Plan of The Troy Savings Bank in RSI Retirement Trust – December 31, 2003
- The Retirement Plan of Hudson River Bank and Trust Company – December 31, 2004

Eligibility

Effective on the Plan Freeze Date, no employee is eligible to become a participant in the Plan. Prior to the Plan Freeze Date, participation in the Plan commenced when an employee attained age 21 and completed one year of eligible service.

1. DESCRIPTION OF THE PLAN (Continued)

Vesting

Employees become fully vested in employer contributions after five years of service, as defined. 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 the Plan termination, participants would become 100% vested in their benefits.

Pension Benefits

All employees of the Company who meet the age and service requirements, as defined, and who were employed prior to the Plan Freeze Date, are eligible to participate in the Plan.

Employees who were participants of The Retirement Plan of First Niagara Financial Group in RSI Retirement Trust, and attained the later of age 65 or five years of service, as defined, are entitled to receive annual pension benefits. Those retiring are entitled to receive a benefit equal to (a) 2% of average annual earnings for each year of service or fraction thereof rendered prior to March 31, 1998 and (b) 1.25% of average annual earnings for each year of service rendered after March 31, 1998, not to exceed 30 years. Additionally, the Plan provides early retirement options for participants who terminate their employment on or after age 60 with a minimum of five consecutive years of credited service. Early retirement benefits are also available to participants who have attained age 55 and completed 20 or more years of vested service, or have completed 30 years of vested service. The normal form of benefit is a certain life annuity for single participants and a joint and survivor annuity for married participants.

Employees who were participants of The Retirement Plan of Savings Bank of the Finger Lakes, FSB in RSI Retirement Trust, and attained the later of age 65 or five years of participation, as defined, are entitled to receive annual pension benefits. Those retiring are entitled to receive a benefit equal to 2% of average annual earnings for each year of service or fraction thereof rendered not to exceed 30 years, reduced by estimated Social Security benefits. Average annual earnings are computed based on the three consecutive years of highest compensation during the last ten years of service. The normal form of benefit is a 50% joint and survivor benefit with the spouse as the designated beneficiary or a straight life annuity if the participant does not have a spouse. Other forms of benefit can be elected. Early retirement benefits are also available to participants who have completed a minimum of five consecutive years of credited service and (a) have attained age 60, or (b) met the Rule of 75 (attained age plus vested service with this employer and any prior participating employer). The early retirement benefit is calculated in accordance with the normal retirement formula as of the early retirement date with benefits discounted if payments commence before the normal retirement date.

Employees who were participants of The Retirement Plan of The Troy Savings Bank in RSI Retirement Trust, and attained the later of age 65 or five years of participation, as defined, are entitled to receive annual pension benefits. Prior to May 1, 2001, the normal retirement benefit was an annual amount equal to 2% of the average annual earnings during the highest 36 months of the participant's final 120 months of employment, multiplied by the years of creditable service and any fraction thereof not exceeding 32.5 years plus 0.4% of the average annual earnings during the highest 36 months of the participant's final 120 months of employment which is in excess of one-half of the Social Security wage base, multiplied by the years of creditable service and any fraction thereof not exceeding 30 years. Effective May 1, 2001, the Plan was amended in order to change the formula for calculating the annual normal retirement benefit. Effective May 1, 2001, the normal retirement benefit is an annual amount equal to the sum of (i), (ii), and (iii) below. The total number of years and any fractions thereof of credited service under subsections (i) and (ii) below may not exceed 32.5 years.

1. DESCRIPTION OF THE PLAN (Continued)

Pension Benefits (Continued)

- (i) 2% of the average annual earnings during the highest 36 months of the participant's final 120 months of employment, multiplied by the years of creditable service and any fractions thereof credited prior to May 1, 2001;
- (ii) 1.67% of the average annual earnings during the highest 36 months of the participant's final 120 months of employment, multiplied by the years of creditable service and any fractions thereof credited on or after May 1, 2001;
- (iii) 0.4% of the average annual earnings during the highest 36 months of the participant's final 120 months of employment which is in excess of one-half of the Social Security wage base as of the participant's date of termination of service, multiplied by the years of creditable service and any fractions thereof credited prior to May 1, 2001, not to exceed 30 years.

A participant is eligible for early retirement benefits upon attaining age 60 and completion of five consecutive years of vesting service, or upon attaining age 55 and completion of ten consecutive years of creditable service. The benefit, if deferred to age 65, is generally calculated in the same manner as the normal retirement benefit. At the option of the participant, an immediate benefit or a benefit deferred to any date subsequent to retirement, but not beyond age 65, is payable in accordance with the provisions of the Plan. If the benefit commences prior to age 65, it is reduced to an actuarial equivalent of the benefit otherwise commencing at age 65 in accordance with the Plan's provisions. Effective October 1, 1994, a retired participant who is in receipt of a normal retirement benefit, postponed retirement benefit, or early retirement benefit under the provisions of the Plan or prior plan shall be entitled to a supplemental retirement benefit of 1% of the retired participant's monthly benefit, multiplied by the number of calendar years commencing with the retired participant's initial year of receipt of retirement benefits and ending with the 1994 calendar year.

Employees who were participants of The Retirement Plan of Hudson River Bank and Trust Company, and attained the later of age 65 or five years of participation, as defined, are entitled to receive annual pension benefits. For each year of credited service, the participant will receive a monthly pension equal to 2% of average annual earnings (five year average). The monthly retirement benefit is the result of average annual earnings times credited benefit service. A participant may elect early retirement at age 60 with completion of five or more years of benefit service.

Administrative Expenses

Administrative expenses of the Plan are paid by the Company except to the extent the Company has elected to pay such expenses directly from the Plan. Fees paid by the Plan for trustee and custodial expenses amounted to \$132,619 and \$98,901 for the years ended September 30, 2010 and 2009, respectively.

Death and Disability Benefits

The beneficiary of an active employee who was a participant of The Retirement Plan of First Niagara Financial Group in RSI Retirement Trust, whose employment is terminated as a result of death is entitled to receive joint and survivor annuity payments equal to 50% of the amount the employee would have received under the Plan had employment been terminated other than by death. Disability benefits are provided under the Plan for a participant whose employment is terminated as a result of total disability and who has completed fifteen years of service.

1. DESCRIPTION OF THE PLAN (Continued)

Death and Disability Benefits (Continued)

The beneficiary of an active employee who was a participant of The Retirement Plan of Savings Bank of the Finger Lakes, FSB in RSI Retirement Trust, who dies while in active service and has either attained age 60 or met the Rule of 75 (attained age plus vested service with this employer and any prior participating employer), whose employment is terminated as a result of death is entitled to death benefits. The normal, early or vested retirement benefit, assuming the participant terminated employment at date of death and elected a 100% joint and survivor benefit is payable to the surviving spouse or, if there is no surviving spouse, their children, until the youngest child attains age 21. A participant who did not meet the requirements above, and died while in active service having an eligible surviving spouse or child and was eligible for a vested retirement benefit, will be entitled to a benefit. The vested retirement benefit, assuming the participant terminated employment at date of death and elected a 50% joint and survivor benefit is payable to the surviving spouse.

The beneficiary of an active employee who was a participant of The Retirement Plan of The Troy Savings Bank in RSI Retirement Trust, whose employment is terminated as a result of death, is entitled to receive benefits if the participant had attained age 60 or if eligible for a vested retirement benefit. If an eligible participant dies before retirement, a benefit is computed and distributed in accordance with the Plan's provisions to the participant's designated beneficiary.

The beneficiary of an active employee who was a participant of The Retirement Plan of Hudson River Bank and Trust Company, whose employment is terminated as a result of death, is entitled to receive benefits. Active employees who become totally and permanently disabled receive a monthly annuity equal to the amount determined by the early retirement benefit formula without reduction for retirement prior to age 65. If not eligible for early retirement the benefit is equal to the actuarial equivalent of the normal retirement benefit.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Use of Estimates

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

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with maturity dates of three months or less to be cash equivalents.

Investment Valuation and Income Recognition

The Plan's assets are invested in various investments through Schwab, the plan trustee and 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. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes gains and losses on investments bought and sold as well as held during the year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Benefit Payments

Benefit payments to participants are recorded upon distribution.

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.

Plan contributions and the actuarial present value of accumulated plan benefits are prepared based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to the uncertainties inherent in this process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to 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 prioritizes 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 the assets measured at fair value on a recurring basis at September 30, 2010. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. For the year ended September 30, 2010, there were no transfers in or out of Level 1 or Level 2.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
September 30, 2010:				
<u>Mutual funds:</u>				
Bond funds	\$ 49,732,980	\$ -	\$ -	\$ 49,732,980
Unit investment trusts	14,070,403	-	-	14,070,403
Corporate debt	228,215	-	-	228,215
Common stock	296,023	-	-	296,023
Money market fund	1,266,329	-	-	1,266,329
Mortgage backed securities	-	2,046,460	-	2,046,460
	<u>\$ 65,593,950</u>	<u>\$ 2,046,460</u>	<u>\$ -</u>	<u>\$ 67,640,410</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
September 30, 2009:				
<u>Mutual funds:</u>				
Bond funds	\$ 45,804,226	\$ -	\$ -	\$ 45,804,226
Unit investment trusts	14,863,288	-	-	14,863,288
Corporate debt	484,929	-	-	484,929
Common stock	251,533	-	-	251,533
Money market fund	1,305,863	-	-	1,305,863
Mortgage backed securities	-	1,929,869	-	1,929,869
U.S. government obligations	184,191	203,127	-	387,318
	<u>\$ 62,894,030</u>	<u>\$ 2,132,996</u>	<u>\$ -</u>	<u>\$ 65,027,026</u>

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 September 30, 2010 and 2009.

Mutual funds, common stock, unit investment trusts, corporate debt and money market funds are valued using unadjusted quoted prices for identical assets in active markets.

The underlying assets owned by the mortgage backed securities fund consist primarily of mortgage backed securities guaranteed by United States government agencies. While the majority of this 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. The fair value of the plan's interest in assets determined to be Level 2 inputs were valued based on information reported by the investment advisor of the underlying assets and investments at year end.

4. ACCUMULATED PLAN BENEFITS

Accumulated Plan benefits are the future periodic payments to be made from the Plan's assets that are attributable under the Plan's provisions to services already rendered by employees. Accumulated Plan benefits consist of expected benefit payments to retired or terminated employees or their beneficiaries, beneficiaries of deceased employees, and present employees or their beneficiaries. All benefits payable as stipulated under the provisions of the Plan which are attributable to employee service rendered prior to the valuation date are included in ascertaining the actuarial present value of accumulated Plan benefits.

The actuarial present value of accumulated plan benefits is determined by the enrolled actuary, and results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money and probability of payment. The probability of payment is affected by death, disability, withdrawal, or retirement.

The significant assumptions used by the actuary in valuations as of September 30, 2010 and 2009 were the life expectancy of participants based upon the Separate Generational RP-2000 Annuitants/ Non-Annuitants, retirement age of 63 (assuming completion of 30 years of benefit service, otherwise age 65), an investment return of 5.0% per annum and a discount rate of 5.00% and 7.00% per annum for 2010 and 2009, respectively. The actuarial assumptions are based on the presumption that the Plan will continue; however, if the Plan is terminated, different actuarial assumptions might be used to determine the actuarial present value of accumulated plan benefits.

The actuarial present value of accumulated plan benefits as of October 1, 2010 and 2009, the date of the latest actuarial valuation, is as follows:

	<u>2010</u>	<u>2009</u>
Actuarial present value of accumulated vested benefits:		
Vested benefits:		
Participants currently receiving payments	\$ 42,629,780	\$ 35,546,574
Participants not receiving benefits	<u>38,563,881</u>	<u>27,239,709</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 81,193,661</u>	<u>\$ 62,786,283</u>

Changes in the actuarial present value of accumulated plan benefits as of October 1, 2010 and 2009, were as follows:

	<u>2010</u>	<u>2009</u>
Actuarial present value of accumulated plan benefits - beginning of year	\$ 62,786,283	\$ 60,650,719
Increase (decrease) during the year attributable to:		
Benefit payments	(3,929,883)	(3,728,600)
Change in actuarial assumptions	17,372,284	1,008,920
Change in average discount period	4,259,820	2,983,360
Accumulation of benefits	<u>705,157</u>	<u>1,871,884</u>
Actuarial present value of accumulated plan benefits - end of year	<u>\$ 81,193,661</u>	<u>\$ 62,786,283</u>

5. FUNDING

The Company makes contributions to the Plan in amounts at least sufficient to meet minimum funding requirements of ERISA as determined annually by the enrolled Plan actuary. Since the Plan is frozen, the frozen actuarial liability cost method is used to provide sufficient assets to meet benefit payment obligations to participants. Current service costs are being funded on a current basis. There are no unfunded past service costs at September 30, 2010 and 2009. The Plan is currently fully funded in accordance with the minimum funding requirements of ERISA. No contributions were required for the years ended September 30, 2010 and 2009.

6. PLAN TERMINATION

Although the Company has not expressed any intent to terminate the Plan, it may do so at any time. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- (a) Benefits accrued for participants from employer contributions.
- (b) Costs for participants who have been receiving benefits or who have been eligible to receive normal retirement benefits for more than three years as of the date of termination.
- (c) Costs for participants who have been receiving benefits or who have been eligible to receive normal retirement benefits for less than three years as of the date of termination.
- (d) Costs for participants who were eligible to receive early retirement benefits as of the date of termination.
- (e) Costs for all other benefits insured by the Pension Benefit Guaranty Corporation (PBGC).
- (f) Costs for any other benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. There is a statutory ceiling on the amount of an individual's monthly benefit that the PBGC guarantees.

For Plan terminations during each of 2010 and 2009, that ceiling, which is adjusted periodically, was \$4,500 per month. The ceiling applies to those participants who elect to receive their benefits in some form more valuable than a single-life annuity and are at least 65 years old at the time of retirement or Plan termination, whichever comes later. For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward. Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the PBGC.

7. INVESTMENTS

The following schedule presents the fair value of investments representing 5% or more of the plan's net assets at September 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
PIMCO Total Return Fund Institutional	\$ 25,791,316	\$ 23,249,728
Vanguard Interim Term Bond Index Fund	21,849,438	20,608,787
CEF iShares S&P 500 Growth Index Fund	7,558,889	8,039,576
CEF iShares S&P 500 Value Index Fund	4,082,019	4,099,471

7. INVESTMENTS (Continued)

The Plan's realized and unrealized gains are \$4,608,761 and \$179,497 for the years ended September 30, 2010 and 2009, respectively.

8. FINANCIAL CERTIFICATION

Financial information relating to the Plan's assets at September 30, 2010 and 2009 as well as investment income and investment transactions for the years then ended, has been derived from information provided by Charles Schwab Trust Company, the trustee of the Plan, and has been certified as complete and accurate. The incorporation of this information in the accompanying financial statements and supplemental schedules is based solely on their certification and has not been audited by independent accountants.

	<u>2010</u>	<u>2009</u>
Charles Schwab Trust Company		
Investments at fair value:		
Mutual funds	\$ 49,732,980	\$ 45,804,226
Unit investment trusts	14,070,403	14,863,288
Mortgage backed securities	2,046,460	1,929,869
Money market fund	1,266,329	1,305,863
Corporate debt	228,215	484,929
U.S. government obligations	-	387,318
Common stock	296,023	251,533
Cash and cash equivalents	<u>60,921</u>	<u>30,007</u>
	\$ 67,701,331	\$ 65,057,033
Interest and dividend income	\$ 2,098,039	\$ 2,680,091
Net appreciation in fair value of investments		
including realized gains and losses on sales	\$ 4,608,761	\$ 179,497

9. INCOME TAXES

The Internal Revenue Service has determined and informed the company by a letter dated March 22, 2005 that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). 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 IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the plan, and has concluded that as of September 30, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

10. PARTY IN INTEREST TRANSACTIONS

In 2010 and 2009, certain Plan investments were managed by Schwab. Schwab is the trustee of the Plan for the years ended September 30, 2010 and 2009, and therefore these transactions qualify as party-in-interest.

Investment income earned on assets invested with Schwab amounted to \$216 and \$37,672 for the years ended September 30, 2010 and 2009, respectively.

Dividend income earned on FNFG common stock totaled \$13,291 and \$18,841 for the years ended September 30, 2010 and 2009, respectively.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 13, 2011, which is the date the financial statements were available to be issued.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2009**This Form is Open to Public Inspection**For calendar plan year 2009 or fiscal plan year beginning 10/01/2009 and ending 09/30/2010▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.**A** Name of plan

The Retirement Plan of the First Niagara Financial Group, Inc.

B Three-digit

plan number (PN) ▶

001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

First Niagara Financial Group, Inc.

D Employer Identification Number (EIN)

42-1556195

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B**F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500**Part I Basic Information****1** Enter the valuation date: Month 10 Day 1 Year 2009**2** Assets:

	2a	
a Market value	65,057,033	
b Actuarial value	65,057,033	

3 Funding target/participant count breakdown

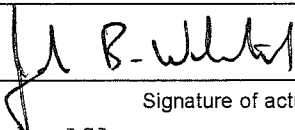
	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a 444	36,734,738
b For terminated vested participants	3b 687	17,082,092
c For active participants:		
(1) Non-vested benefits	3c(1)	0
(2) Vested benefits	3c(2)	10,707,628
(3) Total active	3c(3) 582	10,707,628
d Total	3d 1,713	64,524,458

4 If the plan is at-risk, check the box and complete items (a) and (b) ☐

a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b	

5 Effective interest rate **5** 6.70 %**6** Target normal cost **6** 98,901**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN
HERE**

Signature of actuary

John B. Wukitsch, ASA

Type or print name of actuary

Milliman, Inc.

4 Corp. Plaza, 250 Wash. Ave. Ext.

Albany

NY 12203-5401

Address of the firm

05/12/11

Date

11-05731

Most recent enrollment number

(518) 514-7100

Telephone number (including area code)

If actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	18,687,473	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	192,989	0
9 Amount remaining (Item 7 minus item 8).....	18,494,484	0
10 Interest on item 9 using prior year's actual return of <u>4.46</u> %	824,854	
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		0
b Interest on (a) using prior year's effective rate of <u>6.27</u> %		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		
12 Reduction in balances due to elections or deemed elections.....	3,000,000	
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	16,319,338	0

Part III Funding percentages

14 Funding target attainment percentage.....	14	75.53 %
15 Adjusted funding target attainment percentage	15	100.83 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	99.35 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No
- c** If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost**21** Discount rate:**a** Segment rates:1st segment:
5.12 %2nd segment:
6.74 %3rd segment:
6.83 %☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

2

22 Weighted average retirement age**22**

63

23 Mortality table(s) (see instructions)☐ Prescribed - combined☒ Prescribed - separate☐ Substitute**Part VI Miscellaneous items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**27** If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.**27****Part VII Reconciliation of unpaid minimum required contributions for prior years****28** Unpaid minimum required contribution for all prior years**28**

0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)**29**

0

30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)**30**

0

Part VIII Minimum required contribution for current year**31** Target normal cost, adjusted, if applicable (see instructions)**31**

98,901

32 Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment

0

0

b Waiver amortization installment

0

0

If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount

33**34** Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)**34**

98,901

Carryover balance

Prefunding balance

Total balance

35 Balances used to offset funding requirement

98,901

0

98,901

36 Additional cash requirement (item 34 minus item 35)**36**

0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (item 19c)**37**

0

38 Interest-adjusted excess contributions for current year (see instructions)**38**

0

39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)**39**

0

40 Unpaid minimum required contribution for all years**40**

0

The Retirement Plan of the First Niagara Financial Group, Inc.
EIN/PN: 42-1556195/001
Attachment to 2010 Form 5500
Schedule SB, Line 19 - Discounted Employer Contributions

Line 19a. - Contribution Allocated Toward Unpaid Minimum Required Contribution from Prior Plan Years

None

Line 19b. - Contributions Made To Avoid Benefit Restrictions

Date	Plan Year to Apply Contribution	Effective Interest Rate	Contribution Amount	Discounted Value as of 10/1/2010
None				
Total			0	0

Line 19c. - Contributions Allocated Toward Minimum Required Contribution for Current Year

Date	Plan Year to Apply Contribution	Effective Interest Rate	Late Quarterly Interest Rate	Contribution Amount	Discounted Value as of 10/1/2010
None					
Total				0	0

The Retirement Plan of the First Niagara Financial Group, Inc.

EIN 14-0458765 / PN 001

Schedule SB Attachment, line 22 - Weighted Average Retirement Age

Age	BOY Actives	Ret. Rate	Retirements	EOY Actives	Wtd. Avg. Retirees
55	582	2.00%	12	570	1.1
56	570	2.50%	14	556	1.37
57	556	3.00%	17	539	1.63
58	539	3.50%	19	521	1.88
59	521	4.25%	22	498	2.24
60	498	5.00%	25	473	2.57
61	473	7.50%	36	438	3.72
62	438	10.00%	44	394	4.67
63	394	12.50%	49	345	5.33
64	345	17.50%	60	285	6.64
65	285	100.00%	285	0	31.78
Weighted Average age of retirees					62.93

Weighted average age of retirees is the sum of the product of the age times the number of retirees at that age divided by the total number of retirees leaving the group at age 65.

The Retirement Plan of the First Niagara Financial Group, Inc.

EIN 42-1556195 / PN 001

Schedule SB, Part V –

Statement of Actuarial Assumptions/Methods

1. Actuarial Cost Method – Unit Credit:

The valuation of retirement benefits is determined under the “Unit Credit Actuarial Cost Method”, as prescribed by the Pension Protection Act of 2006 (PPA). In this method, the regular Plan cost arises from two sources: a Target Normal Cost and an Amortization Payment for the Funding Target Shortfall.

The Funding Target is determined as the actuarial present value of benefits as of the valuation date. The Shortfall is equal to the Funding Target less the Actuarial Value of Assets. On December 31, 2008, however, the President signed the Worker, Retiree and Employer Recovery Act of 2008, which granted transition relief to certain plans by allowing the Shortfall Amortization Amount to be a seven year amortization of 92%, 94%, and 96% of the Funding Shortfall for 2008, 2009, and 2010 respectively.

The Normal Cost is the Actuarial Present Value of benefits expected to accrue during the valuation year plus anticipated administration expense, if any.

2. Actuarial Assumptions:

Interest Rates:

PPA Funding:	Segment rates without phase-in (5.12%, 6.74%, 6.83%) with 2 month lookback
SFAS 35:	7.00% per year.

Mortality:

PPA Funding:	Generational Mortality table as prescribed under PPA.
SFAS 35:	Generational Mortality table as prescribed under PPA.

Provisions for Expenses: \$98,901

Incidence of Disability: None assumed.

Form of Payment: Lump sum distribution for active First Niagara employees. All other employees are assumed to elect the Single Life Annuity option.

Rates of Retirement for active participants eligible for unreduced benefits:

<u>Age</u>	
62	50.00%
63	12.50%
64	17.50%
65	100.00%

The Retirement Plan of the First Niagara Financial Group, Inc.

EIN 42-1556195 / PN 001

Schedule SB, Part V –

Statement of Actuarial Assumptions/Methods

Rates of Retirement for active participants not eligible for unreduced benefits:

<u>Age</u>	
55	2.00%
56	2.50%
57	3.00%
58	3.50%
59	4.25%
60	5.00%
61	7.50%
62	10.00%
63	12.50%
64	17.50%
65	100.00%

Multiplying each age by the overall probability of retiring at that age, and summing the products, results in a weighted average retirement age of 63.

Terminated Vested Participants are assumed to retire at age 65.

Withdrawal (Vested and and non-vested):

Rates of withdrawal, depending on age and sex, as follows:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	6.58%	6.58%
25	5.27%	5.27%
30	4.84%	4.84%
35	4.48%	4.48%
40	3.85%	3.85%
45	3.23%	3.23%
50	1.53%	1.53%
55	0.34%	0.34%
60 and over	0.00%	0.00%

Spouses:

80% of employees are assumed to have eligible spouses. Wives are assumed to be 3 years younger than their husbands.

3. Asset Valuation Method

Market Value of Assets.

The Retirement Plan of the First Niagara Financial Group, Inc.

EIN 42-1556195 / PN 001

Schedule SB, Part V – Summary of Plan Provisions

Basic Information

Plan Name:	The Retirement Plan of the First Niagara Financial Group, Inc.		
Effective Date of Plan:	January 1, 1952		
EIN/PN	42-1556195 / 001		
Effective Date of Latest Amendment:	October 1, 2007		
Plan Year:	October 1 st – September 30 th		
Employees:	The Plan is frozen to new participants. The Freeze Dates for the different groups are:		
	First Niagara Financial Group	February 1, 2002	
	Savings Bank of Finger Lakes	December 31, 2002	
	Troy Savings Bank	December 31, 2003	
	Hudson River Bank	December 31, 2004	
Eligibility:	1,000 hours. Plan closed to new employees effective March 1, 2006 except non-highly compensated department heads with 6 months of service.		
Service:			
Benefit Service	Elapsed Time Method from the first of the month of the Date of Participation. Credited Service was frozen as of the Freeze Dates shown under Eligibility.		
Vesting Service	Elapsed Time from the first of the month of the Date of Hire.		
Employee Contribution:	None. Plan is funded entirely by employer contributions.		
Benefit Formulas and Eligibilities:			
Normal Retirement:			
Eligibility	Age 65.		
Benefit	All benefits are frozen.		

The Retirement Plan of the First Niagara Financial Group, Inc.

EIN 42-1556195 / PN 001

Schedule SB, Part V – Summary of Plan Provisions

Deferred Retirement:

Benefit	Calculated in the same manner as described in Normal Retirement above, based on service at actual retirement date, however, not less than the Actuarial Equivalent of the Participant's Normal Retirement Benefit.
---------	--

Early Retirement:

Eligibility	<p>For all participants:</p> <p>Age 60 or if age plus vesting service is greater than 75.</p> <p>For former Hudson River participants, the rule of 75 only applies to those who became participants prior to October 1, 2003.</p> <p>For former First Niagara participants, minimum age is 55 and minimum service is 20 years for the rule of 75.</p> <p>For former Troy participants, the rule of 75 only applies if requirements were met prior to October 1, 1994. For former Troy participants who did not meet the rule of 75 requirements prior to October 1, 1994, early retirement may be satisfied with age 55 with 10 years of service.</p> <p>For former First Niagara, Troy, and Catskill participants:</p> <p>Completion of 30 years of vesting service.</p>
-------------	---

Benefit	For former First Niagara and Finger Lakes participants, the benefit is reduced by 0.4166% for each month the benefit starts prior to NRD. For former Hudson River participants, the benefit is reduced by 0.4166% for each month the benefit starts prior to age 62. For former Troy participants, the benefit is reduced by 0.4166% for each month after age 60 and 0.4666% for each month between age 55 and age 60 that the benefit starts before NRD.
---------	---

The Retirement Plan of the First Niagara Financial Group, Inc.

EIN 42-1556195 / PN 001

Schedule SB, Part V – Summary of Plan Provisions

The following scenarios result in unreduced benefits:

For former First Niagara and Finger Lakes participants, if termination occurs after reaching age 62 with 20 years of service. For First Niagara only, if termination occurs before age 62 but the participant has 20 years of service, the benefit is reduced by 0.4166% for each month prior to age 62.

For former Troy participants, if age 60 with 30 years of service or age 62 with 25 years of service.

For former Mohawk Community Bank participants, if they terminate after reaching age 60 and 10 years of credited service (under Mohawk's plan).

Vested Termination:

Eligibility

Vested Percentage is determined In accordance with the following table:

<u>Years of Vesting Service</u>	<u>Vested Percentage</u>
Less than 5	0%
5 or more	100%

Participants are 100% vested at age 55.

Benefit

Accrued benefit payable at Normal Retirement.

Pre-Retirement Surviving Spouse Coverage Benefit

Surviving spouse will receive a monthly pension benefit commencing at the earliest retirement date equal to 50% of the monthly pension benefit that would have been payable had the participant retired on the day before death and elected a Joint & 50% Contingent Survivor pension. If certain additional requirements are met, all but former Troy participants may be eligible for a Joint & 100% Survivor Pension.

The Retirement Plan of the First Niagara Financial Group, Inc.

EIN 42-1556195 / PN 001

Schedule SB, Part V –

Summary of Plan Provisions

Normal Form of Benefit	Single Life Annuity. A participant that is married must take the benefit in the form of a Joint and 50% Survivor benefit unless the spouse provides written consent to waive the Joint & 50% Survivor benefit.
Qualified Joint and Survivor Annuity	Unless elected otherwise in writing at retirement, a married participant will receive his/her benefits as an actuarially equivalent Joint and 50% Survivor Annuity with the spouse as contingent beneficiary.
Optional Forms of Benefits:	<p>Life Annuity Joint & Contingent (50%, 75%, 100% - also 33 1/3% and 66 2/3% for former Hudson River participants) 5 yr, 10yr, and 15yr Certain and life annuity Lump Sum (if under \$5,000 or for former First Niagara participants, if they are eligible to receive an annuity at the time of termination)</p> <p>Optional forms of benefits are equal to the Actuarial Equivalent of the Normal Benefit Form and Actuarial Equivalence is based on the following interest and mortality assumptions:</p> <p>Interest: 7.5% per annum, compounded annually Mortality: 1979 George B. Buck Mortality Table</p>
Maximum Benefit:	The maximum Plan benefit is limited as required by IRC Section 415(b).

The Retirement Plan of the First Niagara Financial Group, Inc.

EIN 42-1556195 / PN 001

Schedule SB, line 24 – Change in Actuarial Assumptions

- i) The assumed form of payment for active First Niagara participants was changed from a Single Life Annuity to a Lump Sum distribution.
- ii) The unreduced retirement assumption was changed to better reflect plan experience.

The Retirement Plan of the First Niagara Financial Group, Inc.

EIN 42-1556195 / PN 001

Schedule SB, line 26 – Schedule of Active Participant Data

<u>Age</u>	<u>Years of Service</u>										<u>Total</u>
	<u><1</u>	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40&Up</u>	
0-24	-	-	-	-	-	-	-	-	-	-	-
25-29	13	-	-	-	-	-	-	-	-	-	13
30-34	57	2	1	1	-	-	-	-	-	-	61
35-39	76	1	-	1	-	-	-	-	-	-	78
40-44	102	1	1	-	-	1	-	-	-	-	105
45-49	108	-	-	-	-	1	-	-	-	-	109
50-54	85	1	2	-	-	-	-	-	-	-	88
55-59	73	-	-	-	-	-	-	-	-	-	73
60-64	43	-	-	-	-	-	-	-	-	-	43
65-69	8	-	1	-	-	-	-	-	-	-	9
70&Up	3	-	-	-	-	-	-	-	-	-	3
Total	568	5	5	2	-	2	-	-	-	-	582

The Retirement Plan of the First Niagara Financial Group, Inc.

EIN 42-1556195 / PN 001

Schedule SB, line 32 – Schedule of Amortization Bases

The amount needed to amortize the net Funding Shortfall to the Applicable Funding Target, in combination with prior Shortfall amortization payments, for the plan year beginning October 1, 2009 is determined below. The net Shortfall Amount is amortized in seven level payments using the current segment interest rates.

1. Present Value of Remaining Prior Shortfall Amortizations

<u>Date Established</u>	<u>Amortization Amount</u>	<u>Present Value Factor</u>	<u>Present Value</u>
a. Total	0	N/A	0

2. Development of current year Shortfall Base

a. Applicable Funding Target	64,524,458
b. Applicable Funding Target Percentage	94%
c. Plan Assets less Carryover and Prefunding Balances	48,737,695
d. Funding Shortfall Amount [(a) x (b) – (c) – (1b)]	Exempt
e. Amortization factor for current year	N/A
f. Shortfall Amortization for current year [(d) / (e)]	0

3. Total Shortfall Amortization

[(1b) + (2f)]	\$0
---------------	-----

RETIREMENT PLAN OF THE FIRST NIAGARA FINANCIAL GROUP, INC.

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

SEPTEMBER 30, 2010

(a)	(b) Identity of Issuer	(c) Description of Investment	(d) Fair Value
		<u>Money Market Fund:</u>	
*	Charles Schwab Trust Co.	Schwab Money Market Fund	\$ 1,266,329
		<u>Corporate Debt:</u>	
	Walmart Stores Inc.	Walmart Stores Inc. 4.125% 2/15/2011	228,215
		<u>Common Stock:</u>	
*	First Niagara Financial Group, Inc.	Common Stock	296,023
		<u>Unit Investment Trusts:</u>	
	iShares	CEF iShares S&P 500 Value Index Fund	4,082,019
	iShares	CEF iShares S&P 500 Growth Index Fund	7,558,889
	iShares	iShares Trust - S&P 400 Midcap Fund	567,101
	iShares	iShares S&P Smallcap 600 Index Fund	553,418
	iShares	iShares MSCI EAFE Index Fund	1,308,976
			<u>14,070,403</u>
		<u>Mutual Funds:</u>	
	Allianz Global Investors Distributors LLC	PIMCO GNMA Fund Institutional	2,092,226
	Allianz Global Investors Distributors LLC	PIMCO Total Return Fund Institutional	25,791,316
	The Vanguard Group	Vanguard Interim Term Bond Index Fund	21,849,438
			<u>49,732,980</u>
		<u>Mortgage Backed Securities:</u>	
	Federated	Federated Mortgage Fund	<u>2,046,460</u>
			<u>\$ 67,640,410</u>

* The above named is a party-in-interest.

This schedule was prepared solely from information certified by Charles Schwab Trust Company. The accompanying notes are an integral part of these schedules.

RETIREMENT PLAN OF THE FIRST NIAGARA FINANCIAL GROUP, INC.

**SCHEDULE OF REPORTABLE TRANSACTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Identity of party involved	Description of asset	Purchase price	Selling price	Cost of asset	Current value on date	Net gain (loss)
Charles Schwab Trust Company	Schwab Money Market Fund	\$ 4,004,948	\$ -	\$ 4,004,948	\$ 4,004,948	-
Charles Schwab Trust Company	Schwab Money Market Fund	\$ -	\$ 4,044,481	\$ 4,044,481	\$ 4,044,481	-

This schedule was prepared solely from information certified by Charles Schwab Trust Company. The accompanying notes are an integral part of these schedules.