

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
		2010
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
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 <u>FIRST NIAGARA FINANCIAL GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	1b Three-digit plan number (PN) ▶ <u>003</u> 1c Effective date of plan <u>01/01/1998</u>
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>FIRST NIAGARA FINANCIAL GROUP, INC.</u> <u>726 EXCHANGE STREET</u> <u>SUITE 618</u> <u>BUFFALO, NY 14210</u>	2b Employer Identification Number (EIN) <u>42-1556195</u> 2c Sponsor's telephone number <u>716-819-5336</u> 2d Business code (see instructions) <u>522120</u>

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	<u>Filed with authorized/valid electronic signature.</u>	<u>10/06/2011</u>	<u>JULIE M. LAFOREST</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/06/2011</u>	<u>JULIE M. LAFOREST</u>
	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

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

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")

FIRST NIAGARA FINANCIAL GROUP, INC.

726 EXCHANGE STREET
SUITE 618
BUFFALO, NY 14210**3b** Administrator's EIN

42-1556195

3c Administrator's telephone number

716-819-5336

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**

2898

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**

3365

b Retired or separated participants receiving benefits.....**6b**

0

c Other retired or separated participants entitled to future benefits.....**6c**

397

d Subtotal. Add lines **6a**, **6b**, and **6c**.....**6d**

3762

e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....**6e**

0

f Total. Add lines **6d** and **6e**.....**6f**

3762

g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....**6g**

1940

h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....**6h**

113

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:

2P 2I 3H

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 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
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan FIRST NIAGARA FINANCIAL GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 FIRST NIAGARA FINANCIAL GROUP, INC.	D Employer Identification Number (EIN) 42-1556195	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	38982	52366
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)		32242
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(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)		
(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)	61416809	61024922
(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	61455791	61109530

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	25990831	24591835
k Total liabilities (add all amounts in lines 1g through 1j)	1k	25990831	24591835

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	35464960	36517695
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	286391	
(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)		286391

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	33	
(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)		33

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	2502869	
(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)		2502869

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

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	268656	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		268656
(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		3057949

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	630531	
(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)		630531
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		1374683
i Administrative expenses: (1) Professional fees	2i(1)		
(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)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2005214

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1052735
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: BONADIO & CO., LLP

(2) EIN: 16-1131146

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

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

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection.
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>FIRST NIAGARA FINANCIAL GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</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
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>42-1558009</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

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

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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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) 2010
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: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**FIRST NIAGARA FINANCIAL GROUP
EMPLOYEE STOCK OWNERSHIP PLAN**

**Financial Statements
as of December 31, 2010 and 2009
Together with
Independent Auditors' Report**

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To 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 First Niagara Financial Group Employee Stock Ownership Plan (the Plan) as of December 31, 2010 and 2009 and the related statements of changes in net assets available for benefits for the years then ended and the supplemental schedule of assets (held at end of year) as of December 31, 2010. These financial statements and schedule 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 6, which was certified by Charles Schwab Trust Company and Principal Trust Company, the custodians of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that Charles Schwab Trust Company held the Plan's investment assets and executed investment transactions for the period from August 17, 2009 to December 31, 2010, and that Principal Trust Company held the Plan's investment assets and executed investment transactions for the period January 1, 2009 to August 16, 2009. The plan administrator has obtained certifications from the custodians as of and for the years ended December 31, 2010 and 2009, that the information provided to the plan administrator by the custodians 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 schedule taken as a whole. The form and content of the information included in the financial statements and schedule, other than that derived from the information certified by the custodians, have been audited by us in accordance with auditing standards generally accepted in the United States 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.

Bonadio & Co., LLP

September 30, 2011
Williamsville, New York

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**FIRST NIAGARA FINANCIAL GROUP
EMPLOYEE STOCK OWNERSHIP PLAN**

**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2010**

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ASSETS			
INVESTMENTS, at fair value:			
First Niagara Financial Group, Inc. common stock	\$ 24,369,600	\$ 36,655,322	\$ 61,024,922
Money market account	<u>32,242</u>	<u>-</u>	<u>32,242</u>
Total investments	24,401,842	36,655,322	61,057,164
Cash	<u>52,366</u>	<u>-</u>	<u>52,366</u>
Total assets	24,454,208	36,655,322	61,109,530
LIABILITIES			
Notes payable to First Niagara Financial Group, Inc.	<u>-</u>	<u>24,591,835</u>	<u>24,591,835</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 24,454,208</u>	<u>\$ 12,063,487</u>	<u>\$ 36,517,695</u>

The accompanying notes are an integral part of these statements.

**FIRST NIAGARA FINANCIAL GROUP
EMPLOYEE STOCK OWNERSHIP PLAN**

**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2009**

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ASSETS			
INVESTMENTS, at fair value:			
First Niagara Financial Group, Inc. common stock	\$ 21,612,231	\$ 39,804,578	\$ 61,416,809
Cash	<u>38,982</u>	<u>-</u>	<u>38,982</u>
Total assets	<u>21,651,213</u>	<u>39,804,578</u>	<u>61,455,791</u>
LIABILITIES			
Notes payable to First Niagara Financial Group, Inc.	<u>-</u>	<u>25,990,831</u>	<u>25,990,831</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 21,651,213</u>	<u>\$ 13,813,747</u>	<u>\$ 35,464,960</u>

The accompanying notes are an integral part of these statements.

**FIRST NIAGARA FINANCIAL GROUP
EMPLOYEE STOCK OWNERSHIP PLAN**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ADDITIONS:			
Dividend income	\$ 871,768	\$ 1,631,101	\$ 2,502,869
Interest income	33	-	33
Allocation of 239,597 shares of First Niagara Financial Group, Inc. common stock, at fair value	3,349,566	-	3,349,566
Net appreciation in fair value of investments, including realized gains and losses	68,345	200,311	268,656
Allocated dividends paid on ESOP loan	-	856,186	856,186
Employer contributions	-	286,391	286,391
Total additions	<u>4,289,712</u>	<u>2,973,989</u>	<u>7,263,701</u>
DEDUCTIONS:			
Allocated dividends paid on ESOP loan	856,186	-	856,186
Benefits paid to participants	630,531	-	630,531
Allocation of 239,597 shares of First Niagara Financial Group, Inc. common stock, at fair value	-	3,349,566	3,349,566
Interest expense	-	1,374,683	1,374,683
Total deductions	<u>1,486,717</u>	<u>4,724,249</u>	<u>6,210,966</u>
CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	2,802,995	(1,750,260)	1,052,735
NET ASSETS AVAILABLE FOR BENEFITS - beginning of year	<u>21,651,213</u>	<u>13,813,747</u>	<u>35,464,960</u>
NET ASSETS AVAILABLE FOR BENEFITS - end of year	<u>\$ 24,454,208</u>	<u>\$ 12,063,487</u>	<u>\$ 36,517,695</u>

The accompanying notes are an integral part of these statements.

**FIRST NIAGARA FINANCIAL GROUP
EMPLOYEE STOCK OWNERSHIP PLAN**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ADDITIONS:			
Dividend income	\$ 1,369,874	\$ 1,112,707	\$ 2,482,581
Interest income	948	-	948
Allocation of 232,790 shares of First Niagara Financial Group, Inc. common stock, at fair value	3,238,116	-	3,238,116
Employer contributions	<u>-</u>	<u>297,803</u>	<u>297,803</u>
Total additions	<u>4,608,938</u>	<u>1,410,510</u>	<u>6,019,448</u>
DEDUCTIONS:			
Net depreciation in fair value of investments, including realized gains and losses	4,367,332	5,635,301	10,002,633
Benefits paid to participants	582,505	-	582,505
Allocation of 232,790 shares of First Niagara Financial Group, Inc. common stock, at fair value	-	3,238,116	3,238,116
Interest expense	<u>-</u>	<u>1,441,127</u>	<u>1,441,127</u>
Total deductions	<u>4,949,837</u>	<u>10,314,544</u>	<u>15,264,381</u>
CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	(340,899)	(8,904,034)	(9,244,933)
NET ASSETS AVAILABLE FOR BENEFITS - beginning of year	<u>21,992,112</u>	<u>22,717,781</u>	<u>44,709,893</u>
NET ASSETS AVAILABLE FOR BENEFITS - end of year	<u>\$ 21,651,213</u>	<u>\$ 13,813,747</u>	<u>\$ 35,464,960</u>

The accompanying notes are an integral part of these statements.

FIRST NIAGARA FINANCIAL GROUP EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010 AND 2009

1. DESCRIPTION OF PLAN

The following description of the First Niagara Financial Group Employee Stock Ownership Plan (the Plan) provides only general information. Participants should refer to the Plan document for more complete information.

General

The Plan is a noncontributory, defined contribution plan sponsored by First Niagara Financial Group, Inc. (First Niagara) (the Company). The Plan was established as of January 1, 1998 in connection with the Company's initial public offering of its common stock. The Plan is designed to comply with regulations of the Internal Revenue Code (Code) and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The Plan operates as a leveraged employee stock ownership plan. The Plan was initially funded with the proceeds from a \$14,298,299 note payable to the Company in consideration for 2,794,076 shares of First Niagara common stock. In 2003, a \$20,500,000 second note payable to the Company funded the purchase of an additional 2,050,000 shares of First Niagara common stock.

The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to:

- (i) The accounts of employees with vested rights in allocated stock (allocated), and
- (ii) Stock not yet allocated to employees (unallocated).

The Plan held 2,621,983 and 2,861,580 shares of unallocated First Niagara common stock at December 31, 2010 and 2009, respectively. The notes payable are collateralized by the unallocated shares of First Niagara common stock.

Eligibility

Each employee of First Niagara is eligible for participation in the Plan as of the later of January 1, 1998 or completion of one year of service, defined as completion of at least 1,000 hours of service and the attainment of age 21.

Employer Contributions

For each plan year that there is a borrowing outstanding from the purchase of common stock of First Niagara, the Company makes contributions to the Plan which, when aggregated with the Plan's dividend earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan. Dividend income in 2010 and 2009 was used to make payments on the note payable to the Company. Additional discretionary contributions are allowed under the provisions of the Plan, although no additional contributions were made in 2010 and 2009.

Participant Accounts

The value of each participant's account is determined as of the last day of the plan year based on the fair value of the Plan's assets. The participants' accounts reflect the effect of employer contributions, realized and unrealized appreciation or depreciation on investments, dividends and interest, distributions, withdrawals, expenses, and all other transactions affecting the Plan assets during the plan year.

1. DESCRIPTION OF PLAN (Continued)

Participant Accounts (Continued)

Shares of First Niagara common stock are allocated to participants' accounts based on each participant's compensation for the Plan year using year end stock values. Forfeitures of nonvested shares occurring in any participant's account are credited to the other participants' accounts as of the last day of the plan year based on each participant's compensation. Total forfeitures as of December 31, 2010 and 2009 were 23,967 and 23,950 shares, respectively, which were valued at approximately \$335,059 and \$333,145, respectively. Plan income is allocated to participants' accounts as of the last day of the plan year based on the income attributable to the assets held in each participant's account.

Each participant entitled to exercise voting rights attributable to the shares allocated to his or her account is notified by the trustee prior to the time that such rights are to be exercised. The trustee shall vote any unallocated shares and any allocated shares for which instructions have not been given by a participant in the same proportion as to those votes received.

Vesting

Employees vest in the employer contributions at a rate of 20% per year, beginning in the second year of service. Participants become fully vested in their account upon completion of six years of service, or becoming permanently disabled, death, early retirement, attaining age 65, termination of the Plan or a change in control of First Niagara.

Payment of Benefits

The normal retirement age is 65. Early retirement at age 60 with six years of service or at age 55 with 20 years of service may be elected. The value of the vested interest in a participant's account is paid in a lump sum payment in cash or shares of First Niagara common stock upon death, early or normal retirement, termination of employment or permanent disability if the value of the participant's account is less than \$5,000. If the value of the account is greater than \$5,000, the participant also has the option of electing installment payments over five years.

Plan Termination

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the Code. Upon termination of the Plan, the Retirement Benefits Committee (RBC) effective January 1, 2011, (formerly known as the Qualified Retirement Plans Committee) of the Company will direct the Trustee to pay all liabilities and expenses of the trust fund and to sell shares of financed stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan.

Administration of Plan Assets

The Plan's assets, which consist principally of First Niagara common shares, are held by the Custodian of the Plan. Effective for the period August 17, 2009 to December 31, 2009 and for the year ended December 31, 2010, the assets of the Plan were transferred to, and are maintained by, Charles Schwab Trust Company (Schwab) as Custodian, Reliance Trust Company (Reliance) as Trustee of the Plan and Milliman, Inc. as recordkeeper for the Plan. Prior to August 17, 2009, the Plan's Trustee was Delaware Charter Guarantee and Trust Company dba Principal Trust Company, and the Plan's custodian was Principal Trust Company (both members of Principal Financial Group).

Company contributions are held by the Custodian and managed Trustee, which invests cash received, interest, and dividend income and makes distributions to participants. The Trustee also administers the payment of interest and principal on loans, which is reimbursed to the Trustee through contributions as determined by the Company.

1. DESCRIPTION OF PLAN (Continued)

Administration of Plan Assets (Continued)

Certain administrative functions are performed by officers or employees of the Company or its subsidiaries. No such officer or employee receives compensation from the Plan. Administrative expenses for the Trustee's fees are paid directly by the Company.

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25 percent of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage increases to 50 percent. Participants who elect to diversify receive a cash distribution.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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 that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan's assets include 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.

Investment Valuation and Income Recognition

First Niagara common stock is carried at fair value based on quoted market prices. 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 stock are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is accrued on the ex-dividend date. Net appreciation includes gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

Income Taxes

The Internal Revenue Service has determined and informed the Company by a letter dated April 4, 2002 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

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 December 31, 2010 and 2009, 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.

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 December 31, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
First Niagara common stock	\$ 61,024,922	\$ -	\$ -	\$ 61,024,922
Money market account	<u>32,242</u>	<u>-</u>	<u>-</u>	<u>32,242</u>
	<u>\$ 61,057,164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,057,164</u>

The fair value of the First Niagara common stock and money market account is based on unadjusted quoted market prices in active markets.

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
First Niagara common stock	<u>\$ 61,416,809</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,416,809</u>

4. INVESTMENT IN FIRST NIAGARA FINANCIAL GROUP COMMON STOCK

The Plan's investment in First Niagara common stock at December 31, 2010 and 2009 is summarized as follows:

	<u>2010</u>		<u>2009</u>	
	<u>Allocated</u>	<u>Unallocated</u>	<u>Allocated</u>	<u>Unallocated</u>
Number of shares	1,743,176	2,621,983	1,553,719	2,861,580
Cost	\$ 11,413,772	\$ 20,757,866	\$ 10,175,301	\$ 22,317,621
Fair value	\$ 24,369,600	\$ 36,655,322	\$ 21,612,231	\$ 39,804,578

The Plan sold 41,959 and 40,051 shares during 2010 and 2009, respectively, of First Niagara common stock to fund distributions to terminated employees, representing the vested portion of their respective accounts.

5. NOTES PAYABLE

The notes payable to the Company of \$24,591,835 and \$25,990,831 at December 31, 2010 and 2009, respectively, resulted from advances to the Plan to purchase shares of First Niagara common stock for the account of the Plan, net of repayments.

5. NOTES PAYABLE (Continued)

The first note payable of \$6,843,142 and \$7,830,449 at December 31, 2010 and 2009, respectively, is payable in annual principal and interest payments of \$835,948 through 2027, including interest at a fixed rate of 4.80%. The annual repayment of the note will result in an annual share allocation to employees of 86,166 shares of common stock. During 2010 and 2009, excess dividends were earned, which were used to pay additional principal on the loan and 85,098 and 78,291, respectively in additional shares were released and allocated to participants. The scheduled amortization of the loan for the next five years and thereafter is as follows: 2011 - \$507,478; 2012 - \$531,837; 2013 - \$557,365; 2014 - \$584,118; 2015 - \$612,156 and thereafter - \$4,050,188.

The second note payable of \$17,748,693 and \$18,160,383 at December 31, 2010 and 2009, respectively, is payable in annual principal and interest payments of \$1,410,510 through 2032, including interest at a fixed rate of 5.50%. The annual repayment of the note will result in an annual share allocation to employees of 68,333 shares of common stock. The scheduled amortization of the loan for the next five years and thereafter is as follows: 2011 - \$434,332; 2012 - \$458,221; 2013 - \$483,423; 2014 - \$510,011; 2015 - \$538,062 and thereafter - \$15,324,644.

6. FINANCIAL CERTIFICATION

The following financial information relating to the Plan's assets at December 31, 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 custodian of the Plan's assets for the period August 17, 2009 through December 31, 2010, and Principal Trust Company, the custodian of the Plan's assets for the period January 1, 2009 through August 16, 2009, and has been certified by them as complete and accurate. The incorporation of this financial information in the accompanying financial statements is based solely on the certifications and has not been audited by independent accountants.

	<u>2010</u>	<u>2009</u>
<u>Charles Schwab Trust Company</u>		
Investments at fair value:		
First Niagara Financial Group, Inc. common stock	\$ 61,024,922	\$ 61,416,809
Money market account	32,242	-
Cash	<u>52,366</u>	<u>38,982</u>
	<u>\$ 61,109,530</u>	<u>\$ 61,455,791</u>
Investment income for the year:		
Appreciation on investment transactions, net	\$ 268,656	\$ 3,090,177
Dividend income	2,502,869	2,482,581
Interest income	<u>33</u>	<u>948</u>
	<u>\$ 2,771,558</u>	<u>\$ 5,573,706</u>

6. FINANCIAL CERTIFICATION (Continued)

2009

Principal Trust Company

Investment income for the year:

Appreciation (depreciation) on investment transactions, net \$ (13,092,810)

7. PARTY IN INTEREST TRANSACTIONS

Substantially all of the Plan's assets are invested in First Niagara common stock. Dividend income earned on First Niagara common stock totaled \$2,502,869 and \$2,482,581 for the years ended December 31, 2010 and 2009, respectively.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 30, 2011 which is the date the financial statements were available to be issued.

**FIRST NIAGARA FINANCIAL GROUP
EMPLOYEE STOCK OWNERSHIP PLAN
EIN: 42-1556195 PN: 003**

**SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2010**

<u>Identity of Issue</u>	<u>Description</u>	<u>Number of Shares</u>	<u>Fair Value</u>
	<u>Common Stock</u>		
* First Niagara Financial Group, Inc.	Common Stock	4,365,159	\$ 61,024,922
	<u>Money Market</u>		
* Charles Schwab Trust Company	Schwab Retirement Advantage Money Market Fund	32,242	<u>32,242</u>
			<u>\$ 61,057,164</u>

* Denotes party-in-interest

The above schedule is based solely upon information which has been certified as complete and accurate by
Charles Schwab Trust Company

The accompanying notes are an integral part of this schedule.

**FIRST NIAGARA FINANCIAL GROUP
EMPLOYEE STOCK OWNERSHIP PLAN
EIN: 42-1556195 PN: 003**

**SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2010**

<u>Identity of Issue</u>	<u>Description</u>	<u>Number of Shares</u>	<u>Fair Value</u>
	<u>Common Stock</u>		
* First Niagara Financial Group, Inc.	Common Stock	4,365,159	\$ 61,024,922
	<u>Money Market</u>		
* Charles Schwab Trust Company	Schwab Retirement Advantage Money Market Fund	32,242	<u>32,242</u>
			<u>\$ 61,057,164</u>

* Denotes party-in-interest

The above schedule is based solely upon information which has been certified as complete and accurate by
Charles Schwab Trust Company

The accompanying notes are an integral part of this schedule.