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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>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).<br><br><b>► Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                            |                                                                |                                                                                 |                                            |
|--------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------|
| <b>Part I</b>                                                                              | <b>Annual Report Identification Information</b>                |                                                                                 |                                            |
| For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010 |                                                                |                                                                                 |                                            |
| <b>A</b> This return/report is for:                                                        | <input type="checkbox"/> a multiemployer plan;                 | <input type="checkbox"/> a multiple-employer plan; or                           |                                            |
|                                                                                            | <input checked="" type="checkbox"/> a single-employer plan;    | <input type="checkbox"/> a DFE (specify) ____                                   |                                            |
| <b>B</b> This return/report is:                                                            | <input type="checkbox"/> the first return/report;              | <input type="checkbox"/> the final return/report;                               |                                            |
|                                                                                            | <input checked="" type="checkbox"/> an amended return/report;  | <input type="checkbox"/> a short plan year return/report (less than 12 months). |                                            |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                 | <input type="checkbox"/>                                       |                                                                                 |                                            |
| <b>D</b> Check box if filing under:                                                        | <input type="checkbox"/> Form 5558;                            | <input type="checkbox"/> automatic extension;                                   | <input type="checkbox"/> the DFVC program; |
|                                                                                            | <input type="checkbox"/> special extension (enter description) |                                                                                 |                                            |

|                                                                                                                                                                                                                                                   |                                                                |                                                      |                                                      |
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| <b>Part II</b>                                                                                                                                                                                                                                    | <b>Basic Plan Information</b> —enter all requested information |                                                      |                                                      |
| <b>1a</b> Name of plan<br>HARLEYSVILLE NATIONAL CORPORATION 401(K) PLAN                                                                                                                                                                           | <b>1b</b> Three-digit plan number (PN) ►                       | 020                                                  |                                                      |
|                                                                                                                                                                                                                                                   | <b>1c</b> Effective date of plan                               | 01/01/1947                                           |                                                      |
| <b>2a</b> Plan sponsor's name and address (employer, if for a single-employer plan)<br>(Address should include room or suite no.)<br>FIRST NIAGARA FINANCIAL GROUP, INC.<br><br>239 VAN RENSSELAER - 3RD FLOOR<br>U BUILDING<br>BUFFALO, NY 14210 | <b>2b</b> Employer Identification Number (EIN)<br>42-1556195   | <b>2c</b> Sponsor's telephone number<br>716-848-8406 | <b>2d</b> Business code (see instructions)<br>522110 |

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

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

|                  |                                                   |            |                                                              |
|------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | 07/13/2012 | MARYLISA OROSS                                               |
|                  | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |

|                                                                                                                                                                                                                                                                                                 |                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same")<br>FIRST NIAGARA FINANCIAL GROUP, INC.<br><br>239 VAN RENSSELAER - 3RD FLOOR<br>U BUILDING<br>BUFFALO, NY 14210                                                                                         | <b>3b</b> Administrator's EIN<br>42-1556195<br><br><b>3c</b> Administrator's telephone number<br>716-848-8406 |
| <b>4</b> 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:<br><br><b>a</b> Sponsor's name<br>HARLEYSVILLE NATIONAL CORPORATION C/O FIRST NIAGARA FINANCIAL GROUP, I | <b>4b</b> EIN<br>23-0672885<br><br><b>4c</b> PN<br>001                                                        |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                         | <b>5</b> 1264                                                                                                 |
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                                                                                          |                                                                                                               |
| <b>a</b> Active participants.....                                                                                                                                                                                                                                                               | <b>6a</b> 577                                                                                                 |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                                                                                                                                                              | <b>6b</b>                                                                                                     |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                                                                                               | <b>6c</b> 612                                                                                                 |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                                                                                                        | <b>6d</b> 1189                                                                                                |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                                                                                                                                                                       | <b>6e</b>                                                                                                     |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                                                                                                         | <b>6f</b> 1189                                                                                                |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....                                                                                                                                                  | <b>6g</b> 1189                                                                                                |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....                                                                                                                                                      | <b>6h</b> 0                                                                                                   |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                            | <b>7</b>                                                                                                      |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:<br>2E 2F 2G 2J 2K 3D 3C 2S 2T                                                                                                       |                                                                                                               |
| <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:                                                                                                                                      |                                                                                                               |

|                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                          | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                                |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <b>A</b> (Insurance Information)<br>(4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |                                                             |
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| <b>SCHEDULE C</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Service Provider Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                                           |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>2010</b>                                                 |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>This Form is Open to Public Inspection.</b>              |
| For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010                                                                                                                                |                                                                                                                                                                                                                        |                                                             |
| <b>A</b> Name of plan<br>HARLEYSVILLE NATIONAL CORPORATION 401(K) PLAN                                                                                                                                                    |                                                                                                                                                                                                                        | <b>B</b> Three-digit plan number (PN) ▶ 020                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>FIRST NIAGARA FINANCIAL GROUP, INC.                                                                                                                      |                                                                                                                                                                                                                        | <b>D</b> Employer Identification Number (EIN)<br>42-1556195 |

|               |                                                        |
|---------------|--------------------------------------------------------|
| <b>Part I</b> | <b>Service Provider Information (see instructions)</b> |
|---------------|--------------------------------------------------------|

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>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
|-------------------------------------------------------------------------------------------------------------------|

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

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
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|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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

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

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

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

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

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

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

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

CHEC EMPLOYEE BENEFIT CONSULTANTS

23-0681698

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 15                            | RECORDKEEPER                                                                                             | 840                                                                           | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                         | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                   |                                                                                                                                                                                        | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                 |

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

CHEC, INC.

26-4620060

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 15                            | RECORDKEEPER                                                                                             | 24537                                                                         | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                         | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                   | 0                                                                                                                                                                                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                 |

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

CHARLES SCWAB & CO. INC

94-1737782

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 71                            | TRUSTEE/CUSTODIAN                                                                                        | 1724                                                                          | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                         | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                   | 0                                                                                                                                                                                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                 |

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

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

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

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

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

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

**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<br>(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<br>(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<br>(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. |                                           |
|                                                                     |                                                                                                                                                                    |                                           |

**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.

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

|                 |                                                                                                                                 |
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| <b>Part III</b> | <b>Termination Information on Accountants and Enrolled Actuaries (see instructions)</b><br>(complete as many entries as needed) |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------|

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN;       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN;       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                               |                                                                                                                                                                                                                              |                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection.</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

|                                                                                                             |                                                             |     |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----|
| For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010                  |                                                             |     |
| <b>A</b> Name of plan<br>HARLEYSVILLE NATIONAL CORPORATION 401(K) PLAN                                      | <b>B</b> Three-digit plan number (PN) ▶                     | 020 |
|                                                                                                             |                                                             |     |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br>FIRST NIAGARA FINANCIAL GROUP, INC. | <b>D</b> Employer Identification Number (EIN)<br>42-1556195 |     |

|               |                                                                                                                                                                                  |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</b><br>(Complete as many entries as needed to report all interests in DFEs) |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                |                                  |
|------------------------------------------------|----------------------------------|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: | CHARLES SCHWAB STABLE VALUE FUND |
|------------------------------------------------|----------------------------------|

|                                                   |                |
|---------------------------------------------------|----------------|
| <b>b</b> Name of sponsor of entity listed in (a): | CHARLES SCHWAB |
|---------------------------------------------------|----------------|

|                 |                |                      |   |                                                                                                     |       |
|-----------------|----------------|----------------------|---|-----------------------------------------------------------------------------------------------------|-------|
| <b>c</b> EIN-PN | 94-3149038-001 | <b>d</b> Entity code | C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 73455 |
|-----------------|----------------|----------------------|---|-----------------------------------------------------------------------------------------------------|-------|

|                                                |  |
|------------------------------------------------|--|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: |  |
|------------------------------------------------|--|

|                                                   |  |
|---------------------------------------------------|--|
| <b>b</b> Name of sponsor of entity listed in (a): |  |
|---------------------------------------------------|--|

|                 |  |                      |  |                                                                                                     |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|
| <b>c</b> EIN-PN |  | <b>d</b> Entity code |  | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|

|                                                |  |
|------------------------------------------------|--|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: |  |
|------------------------------------------------|--|

|                                                   |  |
|---------------------------------------------------|--|
| <b>b</b> Name of sponsor of entity listed in (a): |  |
|---------------------------------------------------|--|

|                 |  |                      |  |                                                                                                     |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|
| <b>c</b> EIN-PN |  | <b>d</b> Entity code |  | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|

|                                                |  |
|------------------------------------------------|--|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: |  |
|------------------------------------------------|--|

|                                                   |  |
|---------------------------------------------------|--|
| <b>b</b> Name of sponsor of entity listed in (a): |  |
|---------------------------------------------------|--|

|                 |  |                      |  |                                                                                                     |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|
| <b>c</b> EIN-PN |  | <b>d</b> Entity code |  | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|

|                                                |  |
|------------------------------------------------|--|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: |  |
|------------------------------------------------|--|

|                                                   |  |
|---------------------------------------------------|--|
| <b>b</b> Name of sponsor of entity listed in (a): |  |
|---------------------------------------------------|--|

|                 |  |                      |  |                                                                                                     |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|
| <b>c</b> EIN-PN |  | <b>d</b> Entity code |  | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|

|                                                |  |
|------------------------------------------------|--|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: |  |
|------------------------------------------------|--|

|                                                   |  |
|---------------------------------------------------|--|
| <b>b</b> Name of sponsor of entity listed in (a): |  |
|---------------------------------------------------|--|

|                 |  |                      |  |                                                                                                     |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|
| <b>c</b> EIN-PN |  | <b>d</b> Entity code |  | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|

|                                                |  |
|------------------------------------------------|--|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: |  |
|------------------------------------------------|--|

|                                                   |  |
|---------------------------------------------------|--|
| <b>b</b> Name of sponsor of entity listed in (a): |  |
|---------------------------------------------------|--|

|                 |  |                      |  |                                                                                                     |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|
| <b>c</b> EIN-PN |  | <b>d</b> Entity code |  | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|

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

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

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

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

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                             |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>2010</b>                                   |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>This Form is Open to Public Inspection</b> |

For calendar plan year 2010 or fiscal plan year beginning **01/01/2010** and ending **12/31/2010**

|                                                                                                             |                                                                    |            |
|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><b>HARLEYSVILLE NATIONAL CORPORATION 401(K) PLAN</b>                               | <b>B</b> Three-digit plan number (PN) <b>►</b>                     | <b>020</b> |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>FIRST NIAGARA FINANCIAL GROUP, INC.</b> | <b>D</b> Employer Identification Number (EIN)<br><b>42-1556195</b> |            |

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

**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 |
|----------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                      | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                       |                 |                       |                 |
| <b>(1)</b> Employer contributions .....                                                            | <b>1b(1)</b>    |                       |                 |
| <b>(2)</b> Participant contributions .....                                                         | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other .....                                                                             | <b>1b(3)</b>    |                       |                 |
| <b>c</b> General investments:                                                                      |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....   | <b>1c(1)</b>    | 3641019               | 3371088         |
| <b>(2)</b> U.S. Government securities .....                                                        | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                            |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                         | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other .....                                                                         | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                      |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                         | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....                                                                            | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                               | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                   | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                                | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....                                                                 | <b>1c(8)</b>    | 438318                | 121515          |
| <b>(9)</b> Value of interest in common/collective trusts .....                                     | <b>1c(9)</b>    | 89051                 | 73455           |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                    | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                            | <b>1c(11)</b>   |                       |                 |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                  | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds) .....        | <b>1c(13)</b>   | 24090109              | 22169678        |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts) ..... | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other .....                                                                            | <b>1c(15)</b>   |                       |                 |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> | 1044753               | 821059          |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 29303250              | 26556795        |

**Liabilities**

|                                                                           |           |       |       |
|---------------------------------------------------------------------------|-----------|-------|-------|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> | 19853 | 55821 |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |       |       |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |       |       |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |       |       |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 19853 | 55821 |

**Net Assets**

|                                                           |           |          |          |
|-----------------------------------------------------------|-----------|----------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 29283397 | 26500974 |
|-----------------------------------------------------------|-----------|----------|----------|

**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: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> |            |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> | 1016351    |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> | 24372      |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 1040723   |

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

|                                                                                                      |                 |       |       |
|------------------------------------------------------------------------------------------------------|-----------------|-------|-------|
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) ..... | <b>2b(1)(A)</b> | 917   |       |
| <b>(B)</b> U.S. Government securities .....                                                          | <b>2b(1)(B)</b> |       |       |
| <b>(C)</b> Corporate debt instruments .....                                                          | <b>2b(1)(C)</b> |       |       |
| <b>(D)</b> Loans (other than to participants) .....                                                  | <b>2b(1)(D)</b> |       |       |
| <b>(E)</b> Participant loans .....                                                                   | <b>2b(1)(E)</b> | 17416 |       |
| <b>(F)</b> Other .....                                                                               | <b>2b(1)(F)</b> |       |       |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                        | <b>2b(1)(G)</b> |       | 18333 |

|                                                                                           |                 |        |        |
|-------------------------------------------------------------------------------------------|-----------------|--------|--------|
| (2) Dividends: <b>(A)</b> Preferred stock .....                                           | <b>2b(2)(A)</b> |        |        |
| <b>(B)</b> Common stock .....                                                             | <b>2b(2)(B)</b> | 24769  |        |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                 | <b>2b(2)(C)</b> | 317191 |        |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> ..... | <b>2b(2)(D)</b> |        | 341960 |

|                 |              |  |  |
|-----------------|--------------|--|--|
| (3) Rents ..... | <b>2b(3)</b> |  |  |
|-----------------|--------------|--|--|

|                                                                                           |                 |          |       |
|-------------------------------------------------------------------------------------------|-----------------|----------|-------|
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                | <b>2b(4)(A)</b> | 18237500 |       |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                             | <b>2b(4)(B)</b> | 18159344 |       |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result ..... | <b>2b(4)(C)</b> |          | 78156 |

|                                                                                                   |                 | (a) Amount | (b) Total |
|---------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....              | <b>2b(5)(A)</b> |            |           |
| (B) Other .....                                                                                   | <b>2b(5)(B)</b> | 158023     |           |
| (C) Total unrealized appreciation of assets.<br>Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....    | <b>2b(5)(C)</b> |            | 158023    |
| (6) Net investment gain (loss) from common/collective trusts .....                                | <b>2b(6)</b>    |            | 604       |
| (7) Net investment gain (loss) from pooled separate accounts .....                                | <b>2b(7)</b>    |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                        | <b>2b(8)</b>    |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities .....                              | <b>2b(9)</b>    |            |           |
| (10) Net investment gain (loss) from registered investment<br>companies (e.g., mutual funds)..... | <b>2b(10)</b>   |            | 2634587   |
| <b>c</b> Other income.....                                                                        | <b>2c</b>       |            |           |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....           | <b>2d</b>       |            | 4272386   |

**Expenses**

|                                                                                            |              |         |         |
|--------------------------------------------------------------------------------------------|--------------|---------|---------|
| <b>e</b> Benefit payment and payments to provide benefits:                                 |              |         |         |
| (1) Directly to participants or beneficiaries, including direct rollovers .....            | <b>2e(1)</b> | 7027708 |         |
| (2) To insurance carriers for the provision of benefits .....                              | <b>2e(2)</b> |         |         |
| (3) Other .....                                                                            | <b>2e(3)</b> |         |         |
| (4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....                | <b>2e(4)</b> |         | 7027708 |
| <b>f</b> Corrective distributions (see instructions) .....                                 | <b>2f</b>    |         |         |
| <b>g</b> Certain deemed distributions of participant loans (see instructions).....         | <b>2g</b>    |         |         |
| <b>h</b> Interest expense.....                                                             | <b>2h</b>    |         |         |
| <b>i</b> Administrative expenses: (1) Professional fees .....                              | <b>2i(1)</b> | 25377   |         |
| (2) Contract administrator fees .....                                                      | <b>2i(2)</b> |         |         |
| (3) Investment advisory and management fees .....                                          | <b>2i(3)</b> |         |         |
| (4) Other .....                                                                            | <b>2i(4)</b> | 1724    |         |
| (5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....         | <b>2i(5)</b> |         | 27101   |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | <b>2j</b>    |         | 7054809 |

**Net Income and Reconciliation**

|                                                                               |              |  |          |
|-------------------------------------------------------------------------------|--------------|--|----------|
| <b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> ..... | <b>2k</b>    |  | -2782423 |
| <b>l</b> Transfers of assets:                                                 |              |  |          |
| (1) To this plan.....                                                         | <b>2l(1)</b> |  |          |
| (2) From this plan .....                                                      | <b>2l(2)</b> |  |          |

**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  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|---------|
| <b>a</b> 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>b</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  |         |
| <b>c</b> 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  |         |
| <b>d</b> 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  |         |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                                                                                                         | X   |    | 8000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                                                                                                         |     | X  |         |
| <b>g</b> 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  |         |
| <b>h</b> 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  |         |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                                                                                                   | X   |    |         |
| <b>j</b> 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  |         |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                                                                                                              |     | X  |         |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                                                                                                              |     | X  |         |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                                                                                                     |     | X  |         |
| <b>n</b> 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: 0

- 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) |
|-----------------------|--------------|-------------|
|                       |              |             |
|                       |              |             |
|                       |              |             |
|                       |              |             |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            | <b>2010</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            | <b>This Form is Open to Public Inspection.</b> |

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

|                                                                                                             |                                                                    |
|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>HARLEYSVILLE NATIONAL CORPORATION 401(K) PLAN</u>                               | <b>B</b> Three-digit plan number (PN) ▶<br><u>020</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>FIRST NIAGARA FINANCIAL GROUP, INC.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>42-1556195</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

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

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u> |
| <b>2</b> 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):<br><br>EIN(s): <u>23-2878047</u> |          |          |
| <b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>                                                                                                                                                                                            |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> |          |

|                |                                                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (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) |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                                           |                              |                             |                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                                                                                                                                       | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <b>If the plan is a defined benefit plan, go to line 8.</b>                                                                                                                                                                                                                                                                                                               |                              |                             |                              |
| <b>5</b> 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. <b>Date:</b> Month _____ Day _____ Year _____<br><b>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.</b> |                              |                             |                              |
| <b>6 a</b> Enter the minimum required contribution for this plan year .....                                                                                                                                                                                                                                                                                               | <b>6a</b>                    |                             |                              |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                                | <b>6b</b>                    |                             |                              |
| <b>c</b> 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).....                                                                                                                                                                                                                           | <b>6c</b>                    |                             |                              |
| <b>If you completed line 6c, skip lines 8 and 9.</b>                                                                                                                                                                                                                                                                                                                      |                              |                             |                              |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                                                                                                                                        | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <b>8</b> 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?.....                                                                                                                   | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                                |                                   |                                   |                               |                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| <b>9</b> 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..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (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. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                              |                              |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                       | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</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.) ..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                               | <input type="checkbox"/> Yes | <input type="checkbox"/> 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:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 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:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

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

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</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 ..... | <b>16b</b> |  |

- 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):

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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

We consent to the incorporation by reference in the Registration Statement (File No. 333-175464) on Form S-8 of Harleystville National Corporation 401(k) Plan of our report dated July 13, 2011, with respect to the statement of net assets in liquidation available for benefits and the statement of net assets available for benefits of Harleystville National Corporation 401(k) Plan as of December 31, 2010 and 2009, respectively and the related statement of changes in net assets in liquidation available for benefits for the year ended December 31, 2010, and the related supplemental schedule of assets (held at year end) as of December 31, 2010, which report appears in the December 31, 2010 annual report on Form 11-K of Harleystville National Corporation 401(k) Plan.

July 13, 2011  
Williamsville, NY

*Bonadio & Co., LLP*

6400 Sheridan Drive  
Suite 230  
Williamsville, NY 14221  
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**HARLEYSVILLE NATIONAL CORPORATION  
401(K) PLAN**

**Financial Statements as of  
December 31, 2010 and 2009  
And  
Supplemental Schedule  
Together with  
Report of Independent Registered  
Public Accounting Firm**

**Bonadio & Co., LLP**  
Certified Public Accountants

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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

We have audited the accompanying statement of net assets in liquidation available for benefits of the Harleysville National Corporation 401(k) Plan (the Plan) as of December 31, 2010 and the related statement of changes in net assets in liquidation available for benefits for the year ended December 31, 2010. In addition, we audited the statement of net assets available for benefits as of December 31, 2009. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As further discussed in Note 1 to the financial statements, Harleysville National Corporation, the Plan's Sponsor, was acquired by First Niagara Financial Group, Inc. In connection with this acquisition, the Board of Directors of Harleysville National Corporation resolved to terminate the Plan as of April 9, 2010. In accordance with accounting principles generally accepted in the United States of America, the Plan has changed its basis of accounting from the ongoing plan basis used in presenting the 2009 financial statements to the liquidation basis used in presenting the 2010 financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets in liquidation available for benefits of the Plan as of December 31, 2010, net assets available for benefits as of December 31, 2009 and the changes in net assets in liquidation available for benefits for the year ended December 31, 2010, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental Schedule of Assets (Held at End of Year) as of December 31, 2010 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

July 13, 2011  
Williamsville, NY

*Bonadio & Co., LLP*

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Williamsville, NY 14221  
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# HARLEYSVILLE NATIONAL CORPORATION 401(K) PLAN

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

---

### ASSETS

|                                    |                |
|------------------------------------|----------------|
| Investments, at fair value:        |                |
| Mutual funds                       | \$ 24,090,109  |
| Money market funds                 | 3,641,019      |
| Common stock                       | 1,044,753      |
| Common/collective trust fund       | <u>89,051</u>  |
| Total investments                  | 28,864,932     |
| Notes receivable from participants | <u>438,318</u> |
| Total assets                       | 29,303,250     |

### LIABILITIES

|                              |               |
|------------------------------|---------------|
| Excess contributions payable | <u>19,853</u> |
|------------------------------|---------------|

|                                          |                             |
|------------------------------------------|-----------------------------|
| <b>NET ASSETS AVAILABLE FOR BENEFITS</b> | <b><u>\$ 29,283,397</u></b> |
|------------------------------------------|-----------------------------|

The accompanying notes are an integral part of this statement.

# HARLEYSVILLE NATIONAL CORPORATION 401(K) PLAN

## STATEMENT OF NET ASSETS IN LIQUIDATION AVAILABLE FOR BENEFITS DECEMBER 31, 2010

---

### ASSETS

|                                    |               |
|------------------------------------|---------------|
| Investments, at fair value:        |               |
| Mutual funds                       | \$ 22,169,678 |
| Money market funds                 | 3,359,127     |
| Common stock                       | 821,059       |
| Common/collective trust fund       | <u>73,455</u> |
| Total investments                  | 26,423,319    |
| Notes receivable from participants | 121,515       |
| Cash and cash equivalents          | <u>11,960</u> |
| Total assets                       | 26,556,794    |

### LIABILITIES

|                              |               |
|------------------------------|---------------|
| Excess contributions payable | <u>55,821</u> |
|------------------------------|---------------|

|                                                         |                             |
|---------------------------------------------------------|-----------------------------|
| <b>NET ASSETS IN LIQUIDATION AVAILABLE FOR BENEFITS</b> | <b><u>\$ 26,500,973</u></b> |
|---------------------------------------------------------|-----------------------------|

The accompanying notes are an integral part of these statements.

## HARLEYSVILLE NATIONAL CORPORATION 401(K) PLAN

### STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION AVAILABLE FOR BENEFITS DECEMBER 31, 2010

---

#### ADDITIONS

|                                                                                       |               |
|---------------------------------------------------------------------------------------|---------------|
| Employee contributions                                                                | \$ 1,019,301  |
| Rollover contributions                                                                | 21,430        |
| Interest and dividend income                                                          | 551,396       |
| Net appreciation in fair value of investments,<br>including gains and losses on sales | 2,661,118     |
| Interest from notes receivable from participants                                      | <u>17,416</u> |
| Total additions                                                                       | 4,270,661     |

#### DEDUCTIONS

|                               |                  |
|-------------------------------|------------------|
| Distributions to participants | 7,027,708        |
| Loan and administrative fees  | <u>25,377</u>    |
| Total deductions              | <u>7,053,085</u> |

|              |             |
|--------------|-------------|
| Net decrease | (2,782,424) |
|--------------|-------------|

|                                                       |                   |
|-------------------------------------------------------|-------------------|
| NET ASSETS AVAILABLE FOR BENEFITS - beginning of year | <u>29,283,397</u> |
|-------------------------------------------------------|-------------------|

|                                                                |                             |
|----------------------------------------------------------------|-----------------------------|
| NET ASSETS IN LIQUIDATION AVAILABLE FOR BENEFITS - end of year | <u><u>\$ 26,500,973</u></u> |
|----------------------------------------------------------------|-----------------------------|

The accompanying notes are an integral part of this statement.

# HARLEYSVILLE NATIONAL CORPORATION 401(K) PLAN

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010 AND 2009

---

### 1. DESCRIPTION OF THE PLAN

The following description of the Harleysville National Corporation 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

#### **General**

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

On April 9, 2010, the Corporation was acquired by First Niagara Financial Group, Inc. (First Niagara). In connection with this acquisition, the Board of Directors of the Corporation resolved to terminate the Plan as of April 9, 2010 subject to the receipt of approval from the Internal Revenue Service (IRS). The Application of Determination for Terminating Plan was filed with the IRS on August 13, 2010.

At December 31, 2010 and 2009, the assets of the Plan were maintained in investment funds offered by Charles Schwab Trust Company (Schwab), the trustee of the Plan. CHEC, Inc. serves as the Plan's recordkeeper. Broker commissions associated with investment transactions and investment management fees are paid by the Plan. Administrative fees not paid by the Plan were paid by the Corporation.

#### **Contributions**

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

#### **Participant Accounts**

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

## **1. DESCRIPTION OF THE PLAN (Continued)**

### **Vesting**

Upon termination of the Plan as described above, each participant will become 100% vested in his or her account.

### **Investment Options**

Participants are able to direct employee and employer contributions in any of the Plan's investment options with a limit of up to 20% of their voluntary contributions, matching contributions and loan repayments into First Niagara common stock. The Plan currently offers various mutual funds and a common/collective trust fund as well as the Corporation's common stock as investment options for participants. The Plan was amended to reflect the 20% restriction with respect to the investment of nonelective contributions (the basic employer contributions) in the Corporation's stock. The Plan was further amended to allow participants to direct up to 20% of their elective deferrals, rollover contribution or total plan balance into the Corporation's common stock. Previously, participants were not permitted to direct rollover contributions to, or to rebalance their account allocation in, the Corporation's stock. In connection with the acquisition of the Corporation on April 9, 2010, the Corporation's stock was converted to shares of First Niagara stock.

### **Notes Receivable from Participants**

Until April 9, 2010, participants could borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to \$50,000 or 50% of their account balance, reduced by the highest outstanding loan balance in the prior 12-month period. Loan terms range from one to five years, with longer terms available for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at the five year certificate of deposit rate on the day the loan application is received plus 2%. Principal and interest are paid ratably through monthly payroll deductions. A fee based on the loan term is charged to cover administrative costs.

### **Payment of Benefits**

On termination of service for any reason, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over an agreed-upon period.

If a participant does not elect to have a mandatory distribution of benefits greater than \$1,000 and less than \$5,000 paid directly to an eligible retirement plan specified by the participant in a direct rollover or to receive the distribution directly, then the Plan administrator will pay the distribution in a direct rollover to an individual retirement plan designated by the Plan administrator.

### **Forfeited Accounts**

There were no forfeited nonvested accounts at December 31, 2010 and at December 31, 2009, forfeited nonvested accounts totaled \$99,378. These accounts were first used to reinstate previously forfeited balances of former employees, with any remaining portion being used to pay Plan expenses.

### **Loan and Administrative Expenses**

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Accounting**

The financial statements of the Plan have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. As a result of the Plan's termination as described in Note 1, the Plan changed its basis of accounting from the ongoing plan basis to the liquidation basis for periods after December 31, 2009. The liquidation basis of accounting presents assets at amounts expected to be realized in liquidation and liabilities at amounts expected to be paid. At December 31, 2010, there is no material difference between amounts presented on the liquidation basis and those that would have been presented on the ongoing plan basis.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of the Plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. As of December 31, 2010 and 2009, the Corporation's investments in the common/collective trust fund were not considered material to the Plan's financial statements; therefore, no adjustments to contract value were presented in the Statements of Net Assets Available for Benefits.

### **Change in Accounting Principle**

In September 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2010-25, *Reporting Loans to Participants by Defined Contribution Pension Plans* (ASU 2010-25). ASU 2010-25 requires participant loans to be measured at their unpaid principal balance plus any accrued but unpaid interest and to be classified as notes receivable from participants. Previously, loans were measured at fair value and classified as investments. The Plan adopted ASU 2010-25 in the 2010 financial statements, and has retrospectively applied it to the financial statements and notes. The adoption of ASU 2010-25 was not significant to the financial statements as a whole as the unpaid principal balance plus accrued interest on loans to participants generally approximated fair value.

### **Use of Estimates**

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

### **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. Net depreciation includes Plan's gains and losses on investments bought and sold as well as held during the year. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Payment of Benefits**

Benefit payments to participants are recorded when paid.

### **Concentration of Credit Risk**

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

### **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.

## 3. FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

### 3. FAIR VALUE MEASUREMENTS (Continued)

The following tables summarize our assets measured at fair value on a recurring basis at December 31, 2010 and 2009. 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 December 31, 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>         |
|------------------------------|----------------------|------------------|----------------|----------------------|
| December 31, 2010:           |                      |                  |                |                      |
| <u>Mutual Funds:</u>         |                      |                  |                |                      |
| Growth Funds                 | \$ 8,455,155         | \$ -             | \$ -           | \$ 8,455,155         |
| Blend Funds                  | 5,962,499            | -                | -              | 5,962,499            |
| Bond Funds                   | 3,883,928            | -                | -              | 3,883,928            |
| Allocation Funds             | 1,698,307            | -                | -              | 1,698,307            |
| Value Funds                  | 1,618,969            | -                | -              | 1,618,969            |
| Emerging Markets Funds       | 307,199              | -                | -              | 307,199              |
| Real Estate Funds            | 136,684              | -                | -              | 136,684              |
| Commodities Funds            | 106,937              | -                | -              | 106,937              |
| First Niagara common stock   | 821,059              | -                | -              | 821,059              |
| Common/collective trust fund | -                    | 73,455           | -              | 73,455               |
| Money market funds           | <u>3,359,127</u>     | <u>-</u>         | <u>-</u>       | <u>3,359,127</u>     |
|                              | <u>\$ 26,349,864</u> | <u>\$ 73,455</u> | <u>\$ -</u>    | <u>\$ 26,423,319</u> |

|                               | <u>Level 1</u>       | <u>Level 2</u>   | <u>Level 3</u> | <u>Total</u>         |
|-------------------------------|----------------------|------------------|----------------|----------------------|
| December 31, 2009:            |                      |                  |                |                      |
| <u>Mutual Funds:</u>          |                      |                  |                |                      |
| Growth Funds                  | \$ 8,466,940         | \$ -             | \$ -           | \$ 8,466,940         |
| Blend Funds                   | 7,138,159            | -                | -              | 7,138,159            |
| Bond Funds                    | 4,753,714            | -                | -              | 4,753,714            |
| Allocation Funds              | 2,119,562            | -                | -              | 2,119,562            |
| Value Funds                   | 1,223,748            | -                | -              | 1,223,748            |
| Real Estate Funds             | 151,378              | -                | -              | 151,378              |
| Commodities Funds             | 121,312              | -                | -              | 121,312              |
| Emerging Markets Funds        | 115,296              | -                | -              | 115,296              |
| Common stock                  | 1,044,753            | -                | -              | 1,044,753            |
| Common /collective trust fund | -                    | 89,051           | -              | 89,051               |
| Money market funds            | <u>3,641,019</u>     | <u>-</u>         | <u>-</u>       | <u>3,641,019</u>     |
|                               | <u>\$ 28,775,881</u> | <u>\$ 89,051</u> | <u>\$ -</u>    | <u>\$ 28,864,932</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 December 31, 2010 and 2009.

Common stock, mutual and money market funds are valued using unadjusted quoted prices for identical assets in active markets.

The common/collective trust fund invests in a diversified portfolio of stable assets which include, but are not limited to, units of collective trust funds consistent with the Fund's objective of stable value, bonds, notes, and alternative, synthetic and separate account guaranteed investment contracts. In determining fair value, the trustee considers such factors as the benefit-responsiveness of the investment contracts, the ability of the parties to the investment contracts to perform in accordance with the terms of the contracts and, the likelihood of default by the issuer of an investment security.

### 3. FAIR VALUE MEASUREMENTS (Continued)

Alternative, synthetic and separate account guaranteed investment contracts consist of investments in underlying securities with wrap contracts under which a third party guarantees benefit-responsive withdrawals by plan participants at contract value. The fair value of the wrap contracts is determined using a discounting methodology which incorporates the difference between current market level rates for contract level wrap fees and the wrap fee being charged. The difference is calculated as a dollar value and discounted by the prevailing interpolated yield curve as of year end.

Investments in units of underlying funds and pooled separate accounts are valued at their respective net asset values as reported by the funds/pools daily.

Bonds and notes are valued at halfway between the most recent bid and asked quotes or, if such quotes are unavailable, at prices for securities of comparable maturity, credit quality and type. Valuations for bonds and notes provided by an independent bond-pricing service use quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates, benchmark yields, issuer spreads, new issue data, and collateral performance.

### 4. INVESTMENTS

At December 31, 2010 and 2009, the fair values of investments that represent 5% or more of the Plan's net assets were as follows:

|                              | <u>2010</u>  | <u>2009</u>  |
|------------------------------|--------------|--------------|
| Schwab Value Advantage       | \$ 2,791,187 | \$ 3,114,082 |
| Schwab S&P 500 Index         | \$ 2,872,257 | \$ 3,319,621 |
| Turner Large Growth Investor | \$ 2,633,701 | \$ 2,838,890 |
| Columbia Acorn Z             | \$ 2,123,724 | \$ 1,802,467 |
| PIMCO Total Return CI D      | \$ 1,890,933 | \$ 2,021,946 |
| Scout International Fund     | \$ 1,729,815 | \$ 1,777,307 |
| Schwab MarketTrack Balanced  | \$ 1,495,363 | \$ 1,883,528 |
| Fundamental Investors Fd     | *            | \$ 1,764,227 |

\* Indicates investment does not represent 5% or more of the Plan's net assets at December 31, 2010.

Net appreciation in fair value of investments, including realized gains (losses) on investments sold during the year ended December 31, 2010 was as follows:

|                              |                     |
|------------------------------|---------------------|
| Mutual funds                 | \$ 2,602,231        |
| Common stock                 | 57,294              |
| Common/collective trust fund | <u>1,593</u>        |
|                              | <u>\$ 2,661,118</u> |

## **5. 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 December 31, 2010 and 2009, and therefore these transactions qualify as party-in-interest.

Investment income earned on assets invested with Schwab amounted to \$93,072 for the year ended December 31, 2010.

Notes receivable from participants of \$121,515 and \$438,318 as of December 31, 2010 and 2009, respectively, with interest rates ranging from 4.3% to 9.5% also qualify as party-in-interest. Interest earned on the notes receivable from participants totaled \$17,416 for the year ended December 31, 2010.

Dividend income earned on First Niagara common stock totaled \$24,769 for the year ended December 31, 2010. Net depreciation on First Niagara common stock totaled \$30,732 at December 31, 2010. Net appreciation on Harleysville common stock totaled \$88,026 for the period January 1, 2010 through April 8, 2010.

## **6. PLAN TERMINATION**

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

## **7. INCOME TAXES**

The Internal Revenue Service has determined and informed the Plan by a letter dated January 19, 2005 that the Plan is designed in accordance with applicable sections of the 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 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, 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 is no longer subject to U.S. federal tax examinations for years before 2007.

**HARLEYSVILLE NATIONAL CORPORATION 401(K) PLAN**

Schedule I

**EIN 23-0672885**
**SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**
**DECEMBER 31, 2010**

| (a) | (b)                                 | (c)                                    | (d)           |
|-----|-------------------------------------|----------------------------------------|---------------|
|     | Identity of Issuer                  | Description of Investment              | Fair Value    |
|     |                                     | <u>Money Market Funds:</u>             |               |
| *   | Charles Schwab Trust Co.            | Schwab US Treasury Fund                | \$ 514,241    |
| *   | Charles Schwab Trust Co.            | Schwab Retirement Advantage            | 53,699        |
| *   | Charles Schwab Trust Co.            | Schwab Value Advantage                 | 2,791,187     |
|     |                                     |                                        | 3,359,127     |
|     |                                     | <u>Common/Collective Trust Fund:</u>   |               |
| *   | Charles Schwab Trust Co.            | Schwab Stable Value Fund               | 73,455        |
|     |                                     | <u>Mutual Funds:</u>                   |               |
|     | Alger International Funds           | Alger Capital Appreciation Fund        | 260,909       |
|     | American Beacon Funds               | American Beacon International Equity 2 | 267,706       |
|     | American Funds                      | Europacific Growth Fund                | 302,613       |
|     | American Funds                      | Fundamental Investors Fd               | 1,085,098     |
|     | American Funds                      | Growth Fund of America                 | 521,258       |
|     | Artisan Fund, Inc                   | Artisan International Investors        | 272,368       |
|     | Calamos Family of Funds             | Calamos Convertible Fund               | 104,363       |
|     | Calvert Funds                       | Calvert Social Investment Fund         | 221,103       |
|     | Cohen and Steers                    | Cohen & Steers Realty Shares           | 136,684       |
|     | Columbia Funds                      | Columbia Acorn Z                       | 2,123,724     |
|     | Columbia Funds                      | Columbia Value and Restructuring       | 264,780       |
|     | Dreyfus Funds                       | Dreyfus Bond Market Index              | 314,023       |
|     | First American Funds                | First American Mid Cap                 | 578,643       |
|     | Harding and Loevner                 | Harding Loevner Emerging Markets Fund  | 176,702       |
|     | Invesco Funds                       | Invesco US Small Cap Value Fund        | 83,057        |
|     | Kalmar Funds                        | Kalmar Growth with Small Value Cap     | 117,535       |
|     | Loomis and Sayles                   | Loomis Sayles Small Cap Value          | 632,825       |
|     | Allianz Funds                       | Managers Cadence Mid Cap Fund          | 438,231       |
|     | MFS Investment Management           | MFS Value Fund                         | 424,783       |
|     | PIMCO Funds                         | PIMCO All Asset                        | 202,944       |
|     | PIMCO Funds                         | PIMCO Commodity Real Return Strategy   | 106,937       |
|     | PIMCO Funds                         | PIMCO High Yield                       | 143,828       |
|     | PIMCO Funds                         | PIMCO Low Duration                     | 212,231       |
|     | PIMCO Funds                         | PIMCO Total Return CI A                | 1,112,003     |
|     | PIMCO Funds                         | PIMCO Total Return CI D                | 1,890,933     |
|     | The Royce Funds                     | Royce Total Return                     | 123,500       |
|     | The Royce Funds                     | Royce Total Return Service             | 158,075       |
| *   | Charles Schwab Trust Co.            | Schwab Fundamental Emerging Markets    | 130,497       |
| *   | Charles Schwab Trust Co.            | Schwab MarketTrack Balanced            | 1,495,363     |
| *   | Charles Schwab Trust Co.            | Schwab S&P 500                         | 2,872,257     |
| *   | Charles Schwab Trust Co.            | Schwab Total Stock Market Index        | 515,763       |
|     | Scout Funds                         | Scout International Fund               | 1,729,815     |
|     | TCW Funds, Inc                      | TCW Small Cap Growth                   | 93,632        |
|     | Turner Funds                        | Turner Large Growth Investor           | 2,633,701     |
|     | Vanguard Funds                      | Vanguard Explorer                      | 315,247       |
|     | Vanguard Funds                      | Vanguard Inflation Protected Sec       | 106,547       |
|     |                                     |                                        | 22,169,678    |
| *   | First Niagara Financial Group, Inc. | Common stock                           | 821,059       |
| *   | Notes receivable from participants  | Interest rates range from 4.3% to 9.5% | 121,515       |
| *   | Denotes party-in-interest           |                                        | \$ 26,544,834 |

The accompanying notes are an integral part of this schedule.

Please see attached Accountant's Opinion