

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2014</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>FIRST NIAGARA FINANCIAL GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>003</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1998</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>003</u>	1c Effective date of plan <u>01/01/1998</u>	
1b Three-digit plan number (PN) ▶	<u>003</u>				
1c Effective date of plan <u>01/01/1998</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>FIRST NIAGARA FINANCIAL GROUP, INC.</u> <u>726 EXCHANGE STREET, SUITE 700</u> <u>BUFFALO, NY 14210</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>42-1556195</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>716-858-3390</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>522120</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>42-1556195</u>	2c Plan Sponsor's telephone number <u>716-858-3390</u>	2d Business code (see instructions) <u>522120</u>	
2b Employer Identification Number (EIN) <u>42-1556195</u>					
2c Plan Sponsor's telephone number <u>716-858-3390</u>					
2d Business code (see instructions) <u>522120</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	09/04/2015	MARYLISA OROSS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	09/04/2015	MARYLISA OROSS
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:		4b EIN	
a Sponsor's name		4c PN	
5 Total number of participants at the beginning of the plan year		5	5783
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year		6a(1)	5220
a(2) Total number of active participants at the end of the plan year		6a(2)	4736
b Retired or separated participants receiving benefits		6b	0
c Other retired or separated participants entitled to future benefits.....		6c	719
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	5455
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	19
f Total. Add lines 6d and 6e		6f	5474
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	5368
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h	540
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2P 2I 3H			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply)		9b Plan benefit arrangement (check all that apply)	
(1) ☐ Insurance		(1) ☐ Insurance	
(2) ☐ Code section 412(e)(3) insurance contracts		(2) ☐ Code section 412(e)(3) insurance contracts	
(3) ☒ Trust		(3) ☒ Trust	
(4) ☐ General assets of the sponsor		(4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules		b General Schedules	
(1) ☒ R (Retirement Plan Information)		(1) ☒ H (Financial Information)	
(2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary		(2) ☐ I (Financial Information – Small Plan)	
(3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		(3) ☐ A (Insurance Information)	
		(4) ☐ C (Service Provider Information)	
		(5) ☐ D (DFE/Participating Plan Information)	
		(6) ☐ G (Financial Transaction Schedules)	

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		
A Name of plan <u>FIRST NIAGARA FINANCIAL GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>		B Three-digit plan number (PN) ► <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FIRST NIAGARA FINANCIAL GROUP, INC.</u>		D Employer Identification Number (EIN) <u>42-1556195</u>

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	426	11548
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	10782	10640
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	43020813	18604951
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	43032021	18627139

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	20892501	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	20892501	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	22139520	18627139
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	983301	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		983301

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	26	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		26

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	1273739	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1273739

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

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-3434152	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-3434152

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		-1177086

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	1217846	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		1217846
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		1117449
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2335295

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-3512381
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

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

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

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

(1) Name: **INSERO & CO.**

(2) EIN: **16-1016457**

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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

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.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c			
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
4d			
e Was this plan covered by a fidelity bond?	X		20000000
4e			
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f			
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4g			
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4h			
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
4j			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k			
l Has the plan failed to provide any benefit when due under the plan?.....		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection.
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>FIRST NIAGARA FINANCIAL GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FIRST NIAGARA FINANCIAL GROUP, INC.</u>	D Employer Identification Number (EIN) <u>42-1556195</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>42-1558009</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

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

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☒ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☒ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☒ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☒ No

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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 13e(1) and 13e(2).)

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

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

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

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

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

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

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

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

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

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

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

- 19** If the total number of participants is 1,000 or more, complete lines (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 line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

FIRST NIAGARA FINANCIAL GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL REPORT

DECEMBER 31, 2014



FIRST NIAGARA FINANCIAL GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

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INDEPENDENT AUDITORS' REPORT

To the Employee Benefits Administration Committee of the
First Niagara Financial Group, Inc. Employee Stock Ownership Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the First Niagara Financial Group, Inc. Employee Stock Ownership Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2014, and the related statement of changes in net assets available for benefits for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the 2014 financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by Charles Schwab Bank, the custodian of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the custodian holds the Plan's assets and executes transactions. The Plan Administrator has obtained a certification from the custodian as of and for the year ended December 31, 2014, that the information provided to the Plan Administrator by the custodian is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the 2014 financial statements.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Board of Directors of First Niagara Financial Group, the Plan's sponsor, voted to terminate the Plan effective December 31, 2014, and management determined liquidation is imminent. As a result, the Plan has changed its basis of accounting from the going concern basis used in presenting the 2013 financial statements to the liquidation basis used in presenting the 2014 financial statements. Our disclaimer of opinion is not modified with respect to this matter.

Other Matter – 2013 Financial Statements

The financial statements of the Plan as of and for the year ended December 31, 2013, were audited by other auditors whose report, dated July 14, 2014, did not express an opinion on the 2013 financial statements for the same reason described in the Basis for Disclaimer of Opinion paragraph. Their report also indicated the form and content of the information included in the 2013 financial statements, other than that derived from the information certified by the custodian, was presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure Under ERISA.

Other Matter – Supplemental Schedule

The supplemental schedule of assets (held at end of year) as of December 31, 2014, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis but is not a required part of the financial statements. The supplemental schedule is the responsibility of Plan management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the 2014 financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Respectfully Submitted,

A handwritten signature in black ink that reads "Insero & Company CPAs, P.C." The signature is written in a cursive, flowing style.

Insero & Company CPAs, P.C.
Certified Public Accountants

Rochester, New York
September 3, 2015

***FIRST NIAGARA FINANCIAL GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN***

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2014 AND 2013**

	<u>2014</u>			<u>2013</u>		
	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ASSETS						
Investments, at Fair Value						
First Niagara Financial Group, Inc.						
Common Stock	\$ 18,604,951	\$ -	\$ 18,604,951	\$ 21,765,775	\$ 21,255,038	\$ 43,020,813
Money Market Account	<u>10,640</u>	<u>-</u>	<u>10,640</u>	<u>10,782</u>	<u>-</u>	<u>10,782</u>
Total Investments	<u>18,615,591</u>	<u>-</u>	<u>18,615,591</u>	<u>21,776,557</u>	<u>21,255,038</u>	<u>43,031,595</u>
Cash	<u>11,548</u>	<u>-</u>	<u>11,548</u>	<u>426</u>	<u>-</u>	<u>426</u>
Total Assets	18,627,139	-	18,627,139	21,776,983	21,255,038	43,032,021
LIABILITIES						
Notes Payable to First Niagara Financial Group, Inc.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,892,501</u>	<u>20,892,501</u>
Net Assets Available for Benefits	<u>\$ 18,627,139</u>	<u>\$ -</u>	<u>\$ 18,627,139</u>	<u>\$ 21,776,983</u>	<u>\$ 362,537</u>	<u>\$ 22,139,520</u>

See Notes to Financial Statements.

FIRST NIAGARA FINANCIAL GROUP, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Additions			
Dividend Income	\$ 633,286	\$ 640,453	\$ 1,273,739
Interest Income	26	-	26
Allocation of 297,126 Shares of First Niagara Financial Group, Inc. Common Stock, at Fair Value	2,504,784	-	2,504,784
Allocated Dividends Paid on ESOP Loan	-	622,705	622,705
Net Appreciation in Fair Value of Investments, Including Realized Gains and Losses	-	1,013,237	1,013,237
Employer Contributions	<u>-</u>	<u>983,301</u>	<u>983,301</u>
Total Additions	<u>3,138,096</u>	<u>3,259,696</u>	<u>6,397,792</u>
Deductions			
Allocated Dividends Paid on ESOP Loan	622,705	-	622,705
Benefits Paid to Participants	1,217,846	-	1,217,846
Allocation of 297,126 Shares of First Niagara Financial Group, Inc. Common Stock, at Fair Value	-	2,504,784	2,504,784
Net Depreciation in Fair Value of Investments, Including Realized Gains and Losses	4,447,389	-	4,447,389
Interest Expense	<u>-</u>	<u>1,117,449</u>	<u>1,117,449</u>
Total Deductions	<u>6,287,940</u>	<u>3,622,233</u>	<u>9,910,173</u>
Change in Net Assets Available for Benefits	(3,149,844)	(362,537)	(3,512,381)
Net Assets Available for Benefits:			
Beginning of Year	<u>21,776,983</u>	<u>362,537</u>	<u>22,139,520</u>
End of Year	<u>\$ 18,627,139</u>	<u>\$ -</u>	<u>\$ 18,627,139</u>

See Notes to Financial Statements.

FIRST NIAGARA FINANCIAL GROUP, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Additions			
Dividend Income	\$ 616,062	\$ 697,389	\$ 1,313,451
Interest Income	27	-	27
Allocation of 177,943 Shares of First Niagara Financial Group, Inc. Common Stock, at Fair Value	1,889,755	-	1,889,755
Allocated Dividends Paid on ESOP Loan	-	605,271	605,271
Net Appreciation in Fair Value of Investments, Including Realized Gains and Losses	5,232,394	5,862,211	11,094,605
Employer Contributions	<u>-</u>	<u>944,171</u>	<u>944,171</u>
Total Additions	<u>7,738,238</u>	<u>8,109,042</u>	<u>15,847,280</u>
Deductions			
Allocated Dividends Paid on ESOP Loan	605,271	-	605,271
Benefits Paid to Participants	1,194,273	-	1,194,273
Allocation of 177,943 Shares of First Niagara Financial Group, Inc. Common Stock, at Fair Value	-	1,889,755	1,889,755
Interest Expense	<u>-</u>	<u>1,172,388</u>	<u>1,172,388</u>
Total Deductions	<u>1,799,544</u>	<u>3,062,143</u>	<u>4,861,687</u>
Change in Net Assets Available for Benefits	5,938,694	5,046,899	10,985,593
Net Assets/ (Deficit) Available for Benefits:			
Beginning of Year	<u>15,838,289</u>	<u>(4,684,362)</u>	<u>11,153,927</u>
End of Year	<u>\$ 21,776,983</u>	<u>\$ 362,537</u>	<u>\$ 22,139,520</u>

See Notes to Financial Statements.

FIRST NIAGARA FINANCIAL GROUP, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

Note 1 Description of Plan

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

General

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

The Plan operates as a leveraged employee stock ownership plan. The Plan was initially funded with the proceeds from a \$14,298,299 note payable to the Company in consideration for 2,794,076 shares of First Niagara common stock. In 2003, a \$20,500,000 second note payable to the Company funded the purchase of an additional 2,050,000 shares of First Niagara common stock (see Note 5).

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

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

The Plan held -0- and 2,001,416 shares of unallocated First Niagara common stock at December 31, 2014 and 2013, respectively. The notes payable are collateralized by the unallocated shares of First Niagara common stock.

Effective December 31, 2014, the Plan was terminated. Prior to the Plan termination, the remaining balances of the loans were repaid (Note 5). As a result of the Plan termination, all participants became 100% vested in their accounts. The Company requested a favorable determination letter from the Internal Revenue Service in 2015. After the Plan receives its favorable determination letter, all accounts will be paid out of the Plan. Payments will be made in a single lump sum.

Eligibility

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

Employer Contributions

For each Plan year that there is a borrowing outstanding from the purchase of common stock of First Niagara, the Company makes contributions to the Plan which, when aggregated with the Plan's dividend earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan. Dividend income in 2014 and 2013 was used to make payments on the notes payable to the Company. Additional discretionary contributions are allowed under the provisions of the Plan, although no additional contributions were made in 2014 and 2013.

FIRST NIAGARA FINANCIAL GROUP, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

Note 1 Description of Plan - Continued

Participant Accounts

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

Shares of First Niagara common stock are allocated to participants' accounts based on each participant's compensation for the Plan year using year end stock values. Forfeitures of nonvested shares occurring in any participant's account are credited to the other participants' accounts as of the last day of the Plan year based on each participant's compensation. Plan income is allocated to participants' accounts as of the last day of the Plan year based on the income attributable to the assets held in each participant's account.

Voting Rights

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

Vesting

Employees vest in the employer contributions at a rate of 20% per year, beginning in the second year of service. Participants become fully vested in their account upon completion of six years of service, or upon permanent disability, death, early retirement, attaining age 65, termination of the Plan or a change in control of First Niagara. Upon termination of the Plan during 2014, all participants became fully vested in their account balances.

Forfeitures are reallocated among active participants based on eligible compensation. During 2014, 54,261 shares were reallocated to participant accounts. Total forfeitures as of December 31, 2014 and 2013 were 6,389 and 10,721 shares, respectively, which were valued at approximately \$196,608 and \$113,857, respectively.

Payment of Benefits

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

Administration of Plan Assets

The Plan's assets, which consist principally of First Niagara common shares, are held by the Custodian of the Plan. The assets of the Plan are maintained by Charles Schwab Bank (Schwab) as Custodian of the Plan, Reliance Trust Company (Reliance) as Trustee of the Plan and Milliman, Inc. as Recordkeeper for the Plan.

FIRST NIAGARA FINANCIAL GROUP, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

Note 1 Description of Plan - Continued

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

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

Diversification

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

Note 2 Summary of Significant Accounting Policies

Method of Accounting

Due to the decision to terminate the Plan during 2014, the financial statements for 2014 have been prepared using the liquidation basis of accounting. The 2013 financial statements were prepared on the ongoing accrual basis of accounting.

Use of Estimates

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

Risks and Uncertainties

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

Investment Valuation and Income Recognition

First Niagara common stock is carried at fair value based on quoted market prices. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

FIRST NIAGARA FINANCIAL GROUP, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

Note 2 Summary of Significant Accounting Policies - Continued

Investment Valuation and Income Recognition - Continued

Purchases and sales of stock are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is accrued on the ex-dividend date. Net appreciation/(depreciation) includes gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

Income Taxes

The Internal Revenue Service has determined and informed the Plan by a letter dated July 10, 2012, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan applied for an updated determination letter on July 3, 2015 and is awaiting a response from the IRS. 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.

As of December 31, 2014 and 2013 the Plan does not have a liability for unrecognized tax benefits. The Plan files the Annual Return/Report of Employee Benefit Plan (Form 5500) in the U.S. federal jurisdiction. The Plan is no longer subject to U.S. federal tax examinations for years before 2011.

Note 3 Investment Valuation and Income Recognition

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

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date.
- Level 2 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.

FIRST NIAGARA FINANCIAL GROUP, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS **DECEMBER 31, 2014 AND 2013**

Note 3 Investment Valuation and Income Recognition - Continued

Level 3 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.

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

	<u>Investments at Fair Value</u>	
	<u>Level 1</u>	
	<u>2014</u>	<u>2013</u>
First Niagara Common Stock	\$ 18,604,951	\$ 43,020,813
Money Market Account	<u>10,640</u>	<u>10,782</u>
Total	<u>\$ 18,615,591</u>	<u>\$ 43,031,595</u>

Note 4 Investment in First Niagara Financial Group Common Stock

The Plan's investment in First Niagara common stock at December 31, 2014 and 2013 is summarized as follows:

	<u>2014</u>		<u>2013</u>	
	<u>Allocated</u>	<u>Unallocated</u>	<u>Allocated</u>	<u>Unallocated</u>
Number of Shares	<u>2,206,993</u>	<u>-</u>	<u>2,049,508</u>	<u>2,001,416</u>
Cost	<u>\$ 16,692,563</u>	<u>\$ -</u>	<u>\$ 15,227,293</u>	<u>\$ 16,871,979</u>
Market	<u>\$ 18,604,951</u>	<u>\$ -</u>	<u>\$ 21,765,775</u>	<u>\$ 21,255,038</u>

The Plan sold 130,168 and 82,413 shares during 2014 and 2013, respectively, of First Niagara common stock to fund distributions to terminated employees, representing the vested portion of their respective accounts.

FIRST NIAGARA FINANCIAL GROUP, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS **DECEMBER 31, 2014 AND 2013**

Note 5 Notes Payable

The notes payable to the Company of \$-0- and \$20,892,501 at December 31, 2014 and 2013, respectively, resulted from advances to the Plan to purchase shares of First Niagara common stock for the account of the Plan, net of repayments.

The first note payable of \$-0- and \$4,519,784 at December 31, 2014 and 2013, respectively, was payable in annual principal and interest payments of \$835,948 through 2027, including interest at a fixed rate of 4.80%. The annual repayment of the note will result in an annual share allocation to employees of 86,166 shares of common stock.

The second note payable of \$-0- and \$16,372,717 at December 31, 2014 and 2013, respectively, was payable in annual principal and interest payments of \$1,410,510 through 2032, including interest at a fixed rate of 5.50%. The annual repayment of the note will result in an annual share allocation to employees of 68,333 shares of common stock.

During 2014 and 2013, excess dividends were earned, which were used to pay additional principal on the loans and 142,627 and 23,444, respectively in additional shares were released and allocated to participants.

The Plan made principal payments during 2014, prior to the plan termination, in the amount of \$1,129,010. In December 2014, the Company repurchase 1,704,290 shares from the Plan for \$14,019,429. The Plan used the proceeds to repay a portion of the remaining debt. The remaining loan balances of \$5,744,062, were settled through the forgiveness of the debt by the Company. This amount has been included in net appreciation in the statement of changes in net assets available for benefits for unallocated shares.

Note 6 Financial Certification

The following financial information relating to the Plan's assets at December 31, 2014 and 2013, as well as investment income and investment transactions for the years then ended, has been derived from information provided by Charles Schwab Bank, the Custodian of the Plan's assets and has been certified by them as complete and accurate. The incorporation of this financial information in the accompanying financial statements is based solely on the certification and has not been audited by independent accountants.

	<u>2014</u>	<u>2013</u>
Investments at Fair Value:		
First Niagara Financial Group, Inc. Common Stock	\$ 18,604,951	\$ 43,020,813
Money Market Account	10,640	10,782
Cash	<u>11,548</u>	<u>426</u>
	<u>\$ 18,627,139</u>	<u>\$ 43,032,021</u>
Investment Income (Loss) for the Year:		
Net Appreciation/(Depreciation) in Fair Value of Investments	\$ (3,434,152)	\$ 11,094,605
Dividend Income	1,273,739	1,313,451
Interest Income	<u>26</u>	<u>27</u>
	<u>\$ (2,160,387)</u>	<u>\$ 12,408,083</u>

FIRST NIAGARA FINANCIAL GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

Note 7 **Party in Interest Transactions**

Substantially all of the Plan's assets are invested in First Niagara common stock. Dividend income earned on First Niagara common stock totaled \$1,273,739 and \$1,313,451 for the years ended December 31, 2014 and 2013, respectively.

Investments are maintained by Charles Schwab Bank, the Custodian, and therefore transactions with Charles Schwab Bank qualify as party-in-interest transactions.

Note 8 **Subsequent Events**

Subsequent events have been evaluated through September 3, 2015 which is the date the financial statements were available to be issued.

***FIRST NIAGARA FINANCIAL GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN***

**SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2014**

<u>Identity of Issue</u>	<u>Description</u>	<u>Shares</u>	<u>Cost</u>	<u>Current Value</u>
Common Stock				
*First Niagara Financial Group, Inc.	Common Stock	2,206,993	\$ 16,293,563	\$ 18,604,951
Money Market				
*Charles Schwab Bank	Schwab Retirement Advantage Money Market Fund	10,640	10,640	<u>10,640</u>
				<u>\$ 18,615,591</u>

*Denotes party-in-interest