



First Niagara Tailoring Retail Banking Experience to Match Evolving Customer Preferences

-- Company enhancing in-branch customer service capabilities while also investing further in online, mobile and telephone banking capabilities --

BUFFALO, N.Y., January 8, 2014 – First Niagara Financial Group, Inc. (NASDAQ: FNFG) today announced steps that the company is taking to further tailor its retail banking staffing and in-branch experience to match evolving customer preferences. Across the financial services industry, in-branch traffic is declining as individuals opt for alternative delivery channels such as online and mobile banking. More than 140,000 users signed up for First Niagara’s mobile banking application in its first year, more than 40 percent of the company’s approximately one million customers are registered online banking users, and usage of telephone banking services and ATM networks continues to grow.

“We are committed to meeting the changing needs of our customers and affording them multiple touch points to transact, while optimizing our cost to serve customers,” said Gary M. Crosby, First Niagara President and Chief Executive Officer. “We will continue to invest in our online, mobile and telephonic banking capabilities, as well as in our strong and talented team to provide them with the tools, training, and career opportunities that will enable them to create a truly differentiated customer experience.”

First Niagara has been changing the way it staffs its branches by implementing a Customer Care Representative (Universal Banker) model. Under this model, more of the company’s in-branch employees are able to serve a broader set of customer needs. More than 200 First Niagara branch employees have recently been promoted to positions that enable them to broaden their responsibilities and grow their careers. As in-branch positions are redefined to more broadly serve customers, the new branch model will result in the reduction of up to 170 administrative positions across the company’s four-state footprint. The company is moving administrative duties out of the branches and focusing on the enhancement of in-branch customer-facing interactions. All impacted individuals have been notified and many will be eligible to apply for other positions within First Niagara, which is currently recruiting to fill more than 250 job openings throughout the company. Others will receive severance benefits to assist them in bridging their career transition.

Simultaneously, First Niagara has and will continue to increase its investment in its online, mobile and telephone banking capabilities for retail and small business customers. The company's customers are embracing its digital offerings, with new products and enhancements planned, including the launch of mobile remote deposit capture for Retail customers in the first quarter.

"Technology is changing how people bank and we are committed to continue meeting our customers' needs by evolving how we operate our branches and by further enhancing our online, mobile and telephone banking services," said Mark Rendulic, First Niagara Executive Vice President, Retail Banking. "Today, a majority of consumers prefer online, mobile and telephone banking for simple transactions or questions, and branches for more complex transactions. Customers can count on First Niagara to provide them with the ability to bank when, where and how they find most convenient."

About First Niagara

First Niagara, through its wholly owned subsidiary, First Niagara Bank, N.A., is a multi-state community-oriented bank with approximately 420 branches, \$37 billion in assets, \$27 billion in deposits, and approximately 6,000 employees providing financial services to individuals, families and businesses across New York, Pennsylvania, Connecticut and Massachusetts. For more information, visit www.firstniagara.com.

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