



Building the community. Shaping the future.

2014 COMMUNITY REPORT



To us, *community matters.*

First Niagara is a true community bank. Our business and our teammates are woven into the fabric of the communities we serve. That's why meaningful community engagement is our priority – it's who we are. We not only make a living here, we make our lives here. That's the reason we make giving back a priority.

To make a real, measurable difference in our communities, we focus our giving in a few core areas. An important focus is fueling economic growth by helping entrepreneurs to establish new businesses, and helping small businesses to grow and succeed. Emphasis is also placed on housing and neighborhood revitalization, making sure individuals and families have a decent place to live. Finally, almost half of our funding goes toward educating and mentoring the youth in our communities, so we can make a difference in the future as well as the present.

In this report, you'll learn a little bit more about a few of the programs and – more importantly – the people we're helping through our community development efforts. For a summary of all our 2014 giving, please see page 14. For more information and a complete listing of grants, visit www.fnfg.org.

Committed to making a difference.

It is with great pride that we present First Niagara's 2014 Community Report, a testament to the deep commitment we have to our customers and our communities. From 26,000 staff volunteer hours to \$10 million in grants disbursed to partners across our footprint, our commitment to working with stakeholders to create shared value through community building is thriving. Indeed, there is energy at First Niagara that is driving meaningful and measurable community development results.

Though we have grown in recent years, we remain a financial institution with strong ties to our communities. We have long recognized the significance of our role in supporting economic recovery in our regions. We believe home ownership, small-business growth and community development projects are the building blocks of communities and the fuel of sustainable economic growth. Investing strategically in these areas is a priority for us.

Our Corporate Social Responsibility Team works to coordinate resources and develop internal and external partnerships to strengthen our communities. Projects such as the Buffalo Niagara Medical Campus and Pittsburgh's Energy Innovation Center are

shining examples of what can happen when diverse organizations come together for the good of a community.

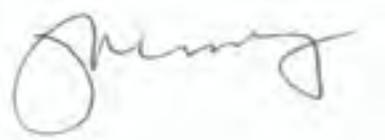
Mentoring and education continue to be two of the primary causes we embrace. With the help of our 5,600 team members who share our vision, we are transforming the lives of almost 40-thousand young people on a yearly basis through our Mentoring MattersSM program.

At First Niagara, our customer-centric focus extends well beyond those who do business with us. Caring about our neighbors and making our cities, towns and villages better places to live

and work are very important elements of our success.

I invite you to read about a few examples of the many people and programs that First Niagara has partnered with to achieve our goal of creating a measurable, meaningful difference. As we build each community stronger, we continue to make the future brighter for everyone.

Sincerely,



Gary M. Crosby
President and CEO



Gary Crosby meets with students at the opening of the AK Teens: Future Curators Exhibition at the Albright-Knox Art Gallery, featuring artwork created and curated by area high school students and sponsored by First Niagara.

The energy to drive economic development.

At First Niagara, we recognize that each community we serve has fueled our success. In turn, we're focusing our energy on revitalizing our local economies.

In 2014, we invested in local startups, entrepreneurs and small businesses, including minority and women-owned businesses. As they grow and succeed in our communities, local residents benefit from the quality job opportunities these new businesses provide.

One commitment. Five partners. Hundreds of opportunities.

2014 was an exciting year on the Buffalo Niagara Medical Campus, as health care and life sciences businesses expanded and buildings continued to go up. At First Niagara, we made a commitment to helping entrepreneurs and small businesses enjoy the prosperity as well.

Working with five area organizations to administer the funds, we provided a Business Development Fund of \$500,000 to help startup businesses on the Medical Campus and in the nearby Fruit Belt, Allentown and West Side neighborhoods.

- ▶ \$100,000 empowers entrepreneurs through the business development office of the Buffalo Niagara Medical Campus, Inc.
- ▶ \$100,000 provides loans to Buffalo's minority and women-owned businesses by way of the Buffalo Urban League.
- ▶ \$100,000 supports startup businesses on and around the Medical Campus via the University at Buffalo Office of Economic Development.
- ▶ \$100,000 backs businesses on Buffalo's West Side, including immigrant and refugee entrepreneurs at the West Side Bazaar business incubator, through the Westminster Economic Development Initiative.
- ▶ \$100,000 gives local artists, tradespeople and green businesses workshop and office space at The Foundry, a business incubator and community anchor on Buffalo's East Side. What's more, Buffalo students take part in job training there, learning skills like carpentry as they discover what it takes to be a business owner.

\$4.5 million

First Niagara's investment in the Buffalo Niagara Medical Campus since 2009



Where creativity means business.

Ever wonder where you'd be today if you had followed your dream of becoming an artist or inventor?

Today, artists and tradespeople can pursue their dreams, and turn them into reality at The Foundry, a business incubator and creative community space on Buffalo's East Side.

Artist Sarah Fonzi is at home in the metal shop, where she creates fine art and commercial multi-media sculptures. You may have admired her 17' high "Spirit of Transportation" at The Hub on Swan Street, or her elegant wheat gate which welcomes visitors to the Five Points Bakery on Buffalo's West Side.

"It's great having other artists around you," said Fonzi, describing the unique opportunity provided by The Foundry. "Artists often work in a bubble. They tend to work in their own element. Here, there's a creative community."

Contributing to the community spirit are George Hampton and other members of Buffalo Lab, a maker space of tech enthusiasts with interests ranging from robotics to electronics, art, programming, security, wireless, publishing, metallurgy and more. By providing a space to share knowledge and collaborate on projects, Buffalo Lab hopes to encourage highly skilled, entrepreneurial people to stay in Buffalo.

Thanks to support through the Business Development Fund, The Foundry is in the middle of a major renovation to enhance the existing space and accommodate a least a dozen new entrepreneurs.



Sarah Fonzi creates "Spirit of Transportation" reminiscent of a penny-farthing, the first machine to be called a "bicycle," which now greets visitors to The Hub.



"The Business Development Fund will provide local small businesses with the sought-after resources to help new companies get off the ground, and take existing ones to the next level." – Congressman Brian Higgins

Investing in youth and workforce development.

There isn't a single community that can't be improved by helping at-risk youth find a positive path toward a promising future.

That's why First Niagara took the lead in providing startup funds to organizations in Buffalo, NY and New Haven, CT as each established an affiliate of the National Center for Arts & Technology to serve urban teens and unemployed/underserved adults, teaching the skills they needed to succeed in our rapidly-changing world.



Where everyone has the opportunity to be great.

Imagine being one of the thousands of teens struggling with school, or an adult having trouble qualifying for a decent job. Imagine finding an organization whose mission is to inspire, motivate and prepare you for educational and career advancement through after-school arts and job training programs. You've found a pathway to productivity.

The opportunity to make an immediate, positive impact is why First Niagara supports ConnCAT – the Connecticut Center for Arts and Technology – and BCAT – the Buffalo Center for Arts and Technology.

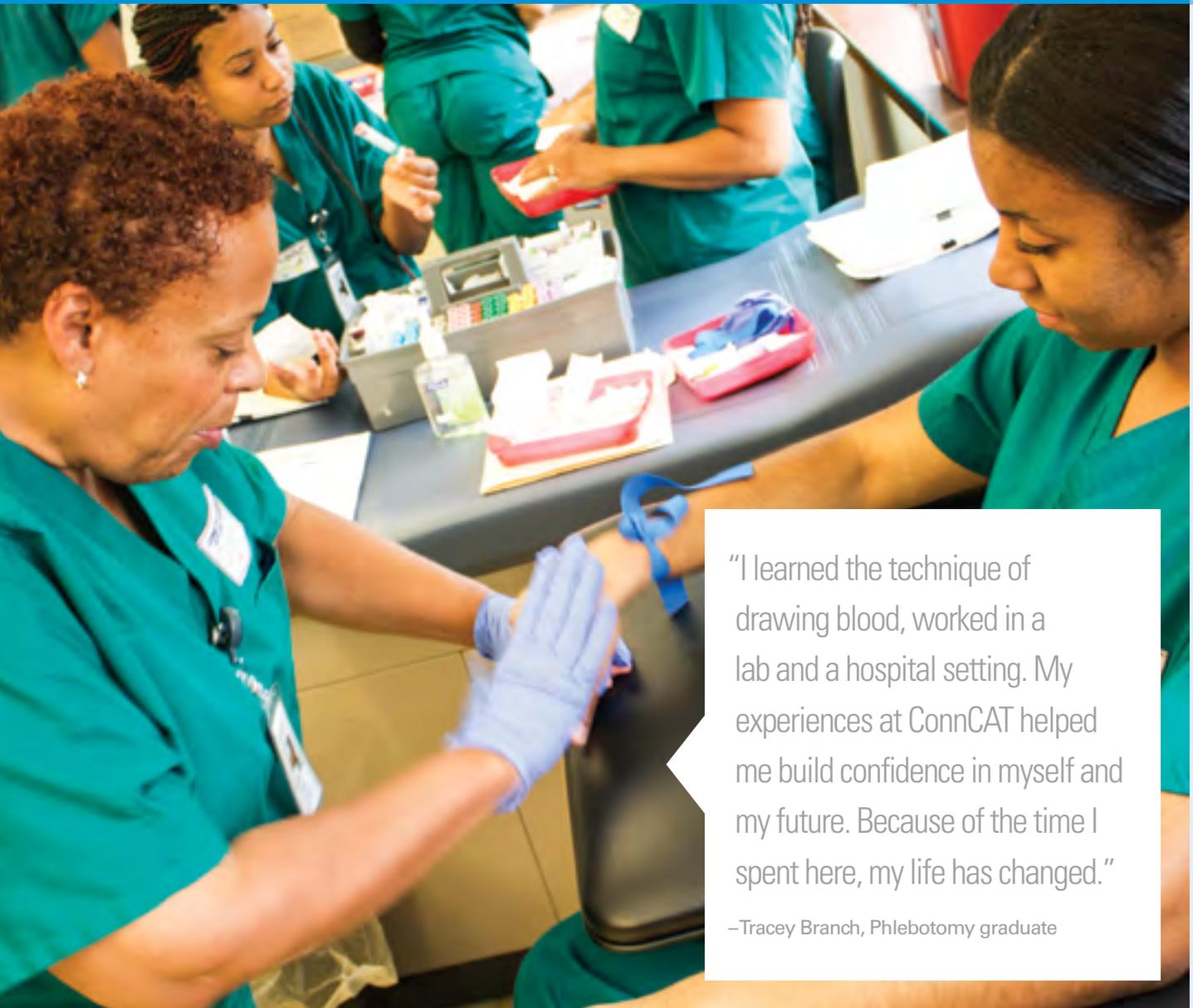
ConnCAT is a career training hub that provides adult learning programs that are relevant to the marketplace. That means training in medical billing and coding, and phlebotomy, skills that are in demand on the New Haven employment landscape.

For middle and high school students who are not realizing their potential in a traditional classroom, ConnCAT provides after school and summer programs where kids can develop new talents through creative media, then transfer that positive energy to the classroom.

“My favorite part about ConnCAT is that I get plenty of time to get my homework done without any distractions. I also like that we're always doing something fun like making a music video. ConnCAT makes you a better student. My grades did get better.” – Ruben, Eighth Grader



The Buffalo Center for Arts and Technology (BCAT) is a shining example of the Manchester Bidwell concept, and operates under the same principles as ConnCAT. First Niagara provided BCAT with critical funds and volunteer leadership which were essential to promoting its growth along the edge of the growing Medical Campus.



"I learned the technique of drawing blood, worked in a lab and a hospital setting. My experiences at ConnCAT helped me build confidence in myself and my future. Because of the time I spent here, my life has changed."

—Tracey Branch, Phlebotomy graduate

We see first hand why Mentoring Matters.SM

Guiding just one child toward a better future is a worthy investment. Imagine how gratified we feel being able to touch the lives of nearly 40-thousand young people across New York, Pennsylvania, Connecticut and Massachusetts. Our own Mentoring Matters program makes it possible each year.

Through Mentoring Matters, First Niagara granted a total of \$1 million to 39 of the most respected and innovative mentoring organizations in our communities. That financial commitment is further enhanced as many First Niagara team members make a personal commitment in lending their time and talents to mentor children.

The great work of these non-profit groups helps young people improve their school attendance and grades, enhance their self-esteem, avoid the dangers of drugs and alcohol, and have a better opportunity for a brighter future.





Middle school is more fun the second time around.

Just ask any of the 320 adult volunteers who've paired up with sixth, seventh and eighth grade students in the Pittsburgh Public Schools how they feel about mentoring, and you'll learn how rewarding it can be to provide friendship, guidance and good advice.

It's all part of the United Way of Allegheny County's "Be a Middle School Mentor" program, the largest mentoring project in the region's history. In 2014, First Niagara provided a \$125,000 grant to help increase the number of students it touches and expose

them to a wider range of career and education possibilities.

Ty'wann Martin, a 7th grader from the Schiller School, explained that the field trips have helped him enjoy science, a subject he struggled with. "In the mentoring program we did a science experiment at the Phipps Conservatory, and I started to like science. If you put Mentos in a pop, it explodes."

Mentoring Director Damon Bethea explains, "Mentors are helping these students to navigate middle school, talk about careers, the importance of going to school, their academics, their future aspirations and dreams, even discussions about the Pittsburgh Promise scholarship opportunities."

"Mentors really spend a lot of time helping their students to figure out the goals and dreams they have in life."

– Damon Bethea,
Mentoring Director



We were honored to be recognized during the National Mentoring Summit in Washington, D.C. First Niagara was presented with the Exceptional Partnership in Quality Youth Mentoring award by The National Mentoring Partnership (MENTOR) and the Corporation for National and Community Service (CNCS).

Building affordable housing builds our communities.

At First Niagara, we understand that a single investment in affordable housing can impact the entire neighborhood.

Help a family get into a decent home, and you've not only given a child a safe place to grow, play and sleep at night. You've enabled the whole family to improve their outlook.

Build a few affordable homes, and you've given the whole neighborhood reason to make improvements. You've replaced homelessness with hope. And contributed to the stabilization of our communities.

An American dream come true.

Although the reality of life in the inner city was a challenge, Ugo Ufomba always believed God would make another way. The Nigerian immigrant and his wife Angelina, a US Army veteran, moved to Albany, NY in 2000. They began by living in separate homeless shelters, then found steady jobs and moved into a tiny apartment.

In 2010 Ugo and Angelina welcomed their daughter into the world and, shortly after, learned about the Habitat for Humanity Capital District's Fox Hollow program. Determined to find a safe place for her family to live, Angelina pursued the Habitat for Humanity opportunity. "Opportunity means work, means something has to be done. Everything from hammering nails to painting to finishing!" said Angelina.

Not one to shy away from hard work, Ugo was excited about building his own American dream. "They are a program that you participate to build your house, from the foundation," he explained. "You build. You are there. You see great people. That gives me joy." In April 2014 the Ufomba family closed on and moved into their new home.

First Niagara is the leading banking partner with Capital District Habitat for Humanity, sponsoring homes in the Sheridan Hollow neighborhood in Albany and the Fox Hollow project in Troy, NY. Many of our teammates have dedicated volunteer hours to working at the build sites, including participating in Women Build Week each May. First Niagara also partnered with Habitat and the Touhey Homeownership Foundation to create a successful pilot mortgage program.



\$546,500

Granted to Habitat for Humanity and other housing organizations in 2014



“As a member of Habitat’s Board of Directors, it’s fulfilling to be able to use my banking expertise to help guide the direction of the organization. As a volunteer, I’m able to be hands on and help construct the home of someone in need.” – Mary Archer-Smith, VP, First Niagara

Economic development. The heart of a community bank.

Each morning, almost 86,000 of our neighbors wake up in apartments that First Niagara has financed. More than 101,000 neighbors work out of property locations we've financed. And, an estimated \$6.8 billion in commerce flows through the retail outlets financed by First Niagara.

In fact, there are a wide variety of ways we contribute to the economic development of the communities we serve.

First Niagara invested \$7.2 million in Historic Tax Credit Equity and \$52.3 million in Low Income Housing Tax Credit Equity for a total of \$59.5 million in Tax Credit Investments in 2014. This financing supported two historic renovation projects and five specific affordable housing projects within our communities. These projects also benefited from construction loans funded by First Niagara.

In 2014, we provided more than \$155 million in community development loans to nonprofit and other partners that revitalized local communities and provided vital services to our vulnerable neighbors. Our small business lenders made a total of \$252 million available to small businesses, and we engaged in 240 Small Business Administration financing deals investing more than \$39 million throughout our communities.



"We had dreams of growing our test prep business, but we weren't sure how to best go about it. First Niagara not only provided us with the financing we needed, but the guidance necessary to make the best decisions for our growth."

– Renata Joseph, MJ Test Prep, Bryn Mawr, PA

Pittsburgh's educational and business incubator.

Excitement is buzzing around Pittsburgh's new Energy Innovation Center (EIC), a 6.6 acre urban complex in the heart of Pittsburgh's Hill District, where the former Connelly Technical School was transformed into a LEED Platinum facility.

The EIC may be the only technical education facility in the nation which co-locates in one building a world-class training curriculum, several postsecondary institutions, various major industrial partners, and numerous startup incubator companies, all dedicated to one, cutting-edge technological field: sustainable energy.

First Niagara played an important role in cementing the partnership between research universities, corporations and economic development organizations by providing a \$13 million tax credit investment to jump start this incubator of emerging technology enterprises.



Opportunities for people with special needs.

Hearing of the new training and employment opportunities provided by the Energy Innovation

Center, Goodwill of Southwestern Pennsylvania hoped to find a way for its clients to benefit from the urban incubator.

Thanks to a grant from First Niagara in 2014, they were able to complete an alliance between the Goodwill Employment Training

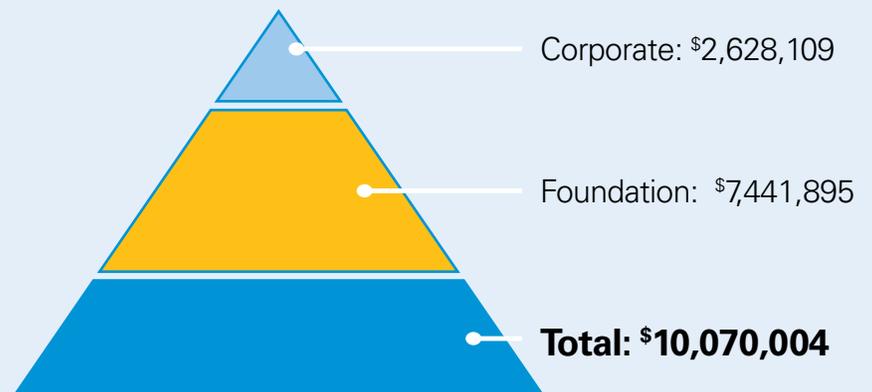
Center and the EIC so that people with disabilities, disadvantages or barriers to employment can participate in and benefit from the economic opportunity that will result from this initiative.

A snapshot of total giving.

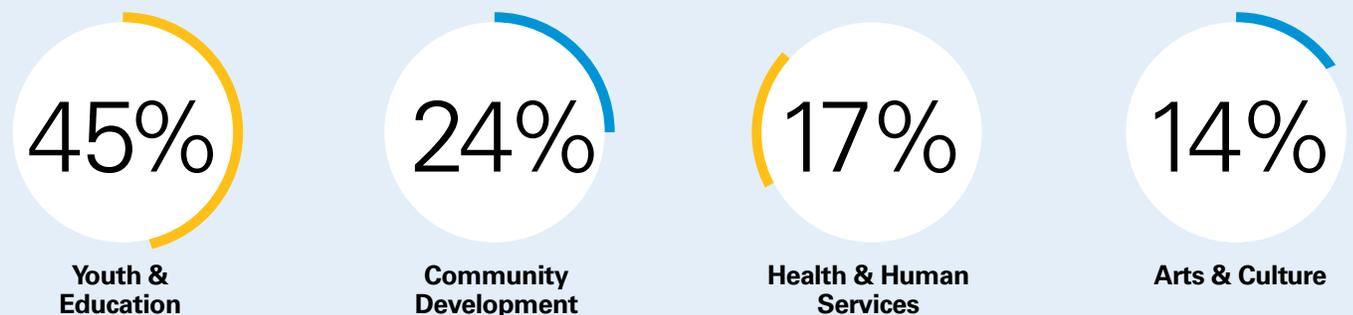
We hope you've enjoyed the stories of some of the community programs and people who have benefited from First Niagara's community giving in 2014. While there isn't room to share every story, take a look around your neighborhood for plenty more examples of First Niagara making a meaningful difference in New York, Pennsylvania, Connecticut and Massachusetts. And please visit our website at www.fnfg.com for more information and a complete listing of all our grants.

\$34,805,046
Total Foundation giving since 2009

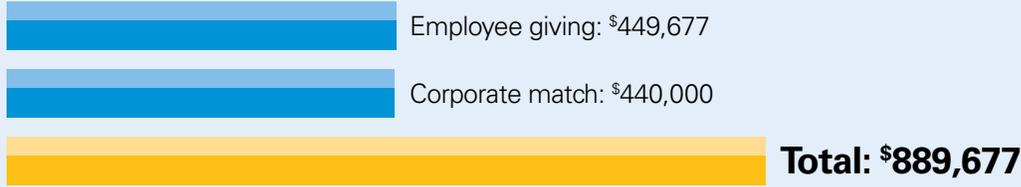
2014 Charitable Giving across 8 regions totaled more than \$10 million



Grants and Sponsorships fall into the following categories:



United Way support:



250 events supported with volunteers and \$109,881 raised by Employee Volunteer Councils through jeans days and other special events

1,248 Total number of nonprofit partners supported



Steps Toward a Greener Tomorrow



- ▶ LEED Certification Received Leadership in Energy and Environmental Design certification for the First Niagara Administrative Center in Lockport, NY
- ▶ 42.47 Tons of Material First Niagara kept out of landfills through donating, repurposing and recycling in 2014

\$59.5 million

Total tax credit equity investments in 2014

\$155 million

Total community development loans in 2014



First Niagara, through its wholly owned subsidiary, First Niagara Bank, N.A., is a multi-state community-oriented bank with approximately 410 branches, \$39 billion in assets, \$28 billion in deposits, and approximately 5,600 employees providing financial services to individuals, families and businesses across New York, Pennsylvania, Connecticut and Massachusetts.



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