



First Niagara Establishes Indirect Auto Lending Business

Company Expects 1,500 Participating New Car Dealers by 2014

BUFFALO, N.Y. – March, 28th, 2012 – First Niagara Financial Group (NASDAQ:FNFG) today announced it has entered a robust indirect automobile lending business, providing a variety of car financing options through dealerships across the Northeast.

The new program is immediately available across New York, Connecticut, Massachusetts, New Jersey, Rhode Island, Delaware, New Hampshire, Vermont, and Maine. The company expects to extend indirect lending to Pennsylvania during the second quarter of 2012.

More than 400 new car dealers have already agreed to participate, and the company expects that number to grow to 1,500 dealers by 2014.

“This is a considerable growth opportunity, complementing our extended market presence across the Northeastern U.S.,” said Andrew Fornarola, senior vice president, First Niagara. “Our sales team is comprised of seasoned in-market professionals with strong, existing relationships in the dealer financing business. Combining them with our team of highly trained and experienced underwriters, we’ll differentiate ourselves through the exceptional service that First Niagara customers have come to expect.”

Two credit underwriting sites are located in Buffalo, N.Y. and Albany, N.Y. The program’s initial phase created 22 new jobs: 16 in Western New York, five in Albany, and one in New England, including credit managers, business development employees, and portfolio underwriters. First Niagara expects to expand the team to more than 50 members within three years.

ABOUT FIRST NIAGARA

First Niagara, through its wholly owned subsidiary, First Niagara Bank, N.A., is a multi-state community oriented bank that currently has approximately \$33 billion in assets, \$19 billion in deposits, more than 330 branches and 5,000 employees providing financial services to individuals, families and businesses across Upstate New York, Pennsylvania, Connecticut and Massachusetts. For more information, visit www.firstniagara.com.

When First Niagara completes its acquisition of the HSBC branches, expected to close on May 18th 2012, the regional bank will have an enhanced leadership position in the Northeast, with nearly 430 locations, \$30 billion in total deposits, \$38 billion in assets and more than 6,000 employees serving consumers, businesses and communities across New York, Pennsylvania, Connecticut and Massachusetts. The transaction will also provide First Niagara with number-one retail market share across Upstate New York, virtually doubling its number of branches in New York State to more than 200, stretching from Buffalo to Albany and down through the Hudson Valley.

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