



First Niagara's Branch Acquisition Dramatically Enhances the Bank's Workforce and its Position across Upstate New York

BUFFALO, N.Y.–July 31, 2011 – With the HSBC Bank USA, N.A. branch acquisition that First Niagara Bank, N.A. announced today, the Upstate company expects to employ more than 4,000 New Yorkers by this time next year and upwards of 6,500 employees across Pennsylvania, New England and the Empire State.

“Every region we serve will benefit as we continue to attract top talent and leverage greater resources for the benefit of all our customers and communities,” First Niagara President and Chief Executive Officer John R. Koelmel said. “We’re doubly proud to be making this major investment in our home state, where we’ll be even better positioned to support communities across Upstate by creating more career opportunities for New Yorkers and by strengthening our position as a regional corporate leader.”

Most of the 1,900 people currently employed in the 195 branches that are part of the transaction announced today are expected to be retained by First Niagara and other financial institutions that purchase certain branches that the company expects to divest. Those divestitures will take place in a limited number of locations outside its strategic footprint, as well as in Western New York as the result of a customary antitrust review process.

“We are very pleased to be part of the solution to stabilizing our regional economy during these very difficult and challenging economic times. I have every expectation that over the next 12 to 18 months, given our growth plans and track record, any short-term jobs impact from this transaction will have been completely mitigated,” Koelmel said. “We’re very proud to once again lead by example by further investing in the future of New York.”

After the transaction is fully completed next year, First Niagara expects to employ more than 4,000 New Yorkers, up from about 2,600 today. That workforce will include some of the 500 new non-branch jobs announced this past May, as well as the more than 500 the bank already created in 2009 and 2010.

“Buffalo and Upstate New York is home for us. While we continue to invest and grow in every region where we do business, this transaction is a real ‘win-win’ for New York State,” Koelmel added. “At First Niagara, we are winning with talent. Our employees are passionate about making good things happen for our customers in their businesses and in their lives. We do that not only in how we deliver our products and services, but also in the countless ways we invest in our communities.”

First Niagara is one of Upstate’s most-active corporate citizens, providing more than \$3 million in funding across its statewide footprint in 2010 alone to hundreds of not-for-profit organizations and philanthropic endeavors. Much of that support is under First Niagara’s Mentoring Matters program, which provides critical funding and volunteer support to youth-focused development programs. In addition, the communities First Niagara serves also benefit from the passionate and energetic commitment of its employee volunteer team.

News Media Conference Call and Press Conference

Executives from First Niagara will also hold a press conference at the bank's headquarters at 11:30 a.m. Eastern Time on Monday, August 1, at 726 Exchange Street, Buffalo, N.Y. Journalists who are unable to attend in person may listen to the press conference by dialing 1-877-902-6543; passcode 3476128.

About First Niagara

First Niagara expects to have approximately \$38 billion in assets, \$30 billion in deposits and 450 branches upon completion of its HSBC-branch acquisition, subject to customary regulatory approvals. First Niagara, through its wholly owned subsidiary, First Niagara Bank, N.A., is a multi-state community-oriented bank that currently has \$31 billion in assets, \$19 billion in deposits, 346 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.fnfg.com.

Forward-Looking Statements

Certain statements in this document are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act. Words such as "believe," "estimate," "will be," "will," "would," "expect," "anticipate," "plan," "project," "intend," "could," "should" or other similar words or expressions often identify forward-looking statements. Such statements are based on current expectations only, and are subject to certain risks, uncertainties and assumptions, many of which are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, including risks, assumptions and uncertainties relating to the acquired branches, completion of the transaction, regulatory approvals for the transaction, integration of the acquired branches and related operations and any required or planned divestitures and the related process, actual results, performance or achievements may vary materially from those anticipated, estimated or projected. More information about the factors that could cause actual results to materially differ is contained in our filings with the Securities and Exchange Commission. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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First Niagara Contact

News Media: Jeffrey A. Schoenborn
Public Relations and Corporate Communications
(716) 819-5921
Email_PR@fnfg.com