



First Niagara Expanding New England Operations with the Acquisition of Connecticut Insurance Firm Pierson & Smith

BUFFALO, N.Y., April 14, 2011 -- First Niagara Financial Group's (Nasdaq:FNFG) insurance subsidiary has acquired Norwalk, Conn. based insurance brokerage, consulting and third party administration firm, Pierson & Smith (P&S). This transaction is part of the company's plans for enhancing its operations, workforce and products and services to benefit customers in New England.

The multi-state bank and financial services company is entering the Connecticut and Massachusetts markets with its pending NewAlliance Bancshares, Inc. (NYSE:NAL) merger, which is expected to close on April 15. Its insurance subsidiary, First Niagara Risk Management (FNRM), serves customers throughout its expanding geographic footprint in New York, Pennsylvania and New England. First Niagara's insurance and benefits consulting revenues in 2010 exceeded \$51 million.

"This transaction clearly demonstrates First Niagara's commitment to its newest region and building upon its successful foundation to serve the communities of Connecticut and Massachusetts," New England Regional President David Ring said. "My team looks forward to working in collaboration with our newest insurance partners to provide our customers with tailored products and services to meet their personal and business needs."

Bruce Rogers, President of Pierson & Smith and Executive Vice Presidents Fred Butler and Matt Fair will remain with the firm and will serve as First Niagara Risk Management Regional Directors of Insurance. Kim McGillicuddy, who is currently Chief Operating Officer, will stay-on and Michael Watts, Chairman and Chief Executive Officer, will continue to work with clients and the firm in a senior advisory role. P&S and its staff will remain in its current location at 40 Richards Avenue as part of First Niagara.

"This transaction provides Pierson & Smith's clients with the broad and deep resources of First Niagara, while ensuring that they continue to receive the direct and personal attention from our professional staff with whom they have built strong relationships over the years," Pierson President Bruce Rogers said. "At the same time, we look forward to expanding our risk management and employee benefit brokerage and consulting expertise to First Niagara's growing base of banking customers in the state."

First Niagara selected P&S to jumpstart its strategic growth initiatives in the region due to the firm's position of strength in the insurance business and their local in-market expertise.

"We selected P&S as our flagship local agency because they fit our culture of high-performing insurance agencies. They provide us with the leadership and staff which will support our business through organic growth and selective acquisition within our footprint," First Niagara Risk Management Chief Executive Officer Joseph Teresi said.

Terms of the acquisition, which closed on April 8, were not disclosed.

First Niagara Risk Management's \$43.9 million in 2009 brokerage revenues generated by U.S.-based clients made it the nation's 50th largest broker and the ninth-largest bank-owned insurance agency, according to Business Insurance magazine. With the acquisition of Pierson & Smith, Inc., FNRM will have over 410 employees and more than 14 offices in three states. First Niagara Risk Management has been recently named as part of an elite group of independent insurance agencies around the United States participating in the Independent Insurance Agents & Brokers of America (IIABA or the Big "I") "Best Practices" Study Group. Only 224 independent agencies out of 27,000 throughout the U.S qualified for this honor.

About First Niagara

First Niagara Financial Group, Inc., through its wholly owned subsidiary, First Niagara Bank, N.A., has more than \$30 billion in assets, \$18 billion in deposits and 300 branches across Upstate New York, Pennsylvania, Connecticut and Massachusetts. First Niagara Bank, N.A. is a community-oriented bank providing financial services to individuals, families and businesses. For more information, visit www.fnfg.com.

Mystic Capital Advisors Group, LLC provided transaction advisory services to First Niagara. For more information on Mystic Capital, please contact Mathew Klossner at 212-251-0251 or visit www.mysticcapital.com.

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