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First Niagara and Department of Justice Agree on HSBC Branch Divestitures

BUFFALO, N.Y.–Nov. 10, 2011 – Following a customary antitrust review, First Niagara Bank, N.A. and HSBC Bank USA, N.A. reached an agreement with the Department of Justice (DOJ) on required divestitures of bank branches in the Buffalo and Western New York area, as part of First Niagara’s previously announced plan to acquire HSBC branches in Upstate New York and Connecticut.

Under the agreement with the DOJ, twenty six HSBC branches in Erie, Niagara and Orleans counties will be marketed for sale to third-party buyers seeking to enter or expand in the region.

“We are pleased to have reached this agreement with the Department of Justice, which is a key first step to our divestiture plan in connection with this transaction,” said John R. Koelmel, First Niagara President and Chief Executive Officer. “Our team is now actively marketing the Western New York branches to be divested, which represent a high-quality, well-dispersed franchise that provides a unique opportunity for acquiring companies to enter or expand their presence in this market.”

Under the DOJ agreement, about **\$1.6 billion** in deposits would be divested as part of the individual branch locations to be sold, in line with First Niagara’s expectations at the time the transaction was announced. It is expected that personnel associated with the divested locations will join the acquiring companies.

With the DOJ approval of the Buffalo-area branch divestiture plan now in place, First Niagara is also moving forward with the marketing of certain other branches that are outside of the company’s long-term strategic footprint. It is anticipated that agreements will be in place for all of the planned divestitures by calendar year-end.

First Niagara and HSBC will then seek to complete the divestitures at or shortly following the closing of First Niagara’s acquisition of HSBC branches early in the second quarter of 2012, subject to regulatory approval and other customary closing conditions.

There will be no changes to customer accounts or branches until after the transaction is completed, and both First Niagara and HSBC will continue to work to ensure a smooth transition for the businesses and individuals they serve. As noted when the transaction was announced in July, First Niagara expects to retain most of the HSBC employees who are part of this acquisition.

For a full listing of divestitures, please visit the [Department of Justice web site](#) or www.firstniagara.com

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 \$31 billion in assets, \$20 billion in deposits, 333 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.

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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