



**Supervisory Condition Letter 2016-05
July 2016**

June 30, 2016

Alex Gress
Senior Vice President and Treasurer
First Niagara Bank, N.A.
726 Exchange Street, Suite 618
Buffalo, New York 14210

Subject: Request of First Niagara Bank, National Association, for an Extension of the Filing Date for its 2016 Dodd-Frank Act Stress Test ("DFAST") Submission

Dear Mr. Gress:

This letter is in response to your correspondence dated May 19, 2016, requesting an extension of the requirement under 12 CFR 46.7 to report the results of annual stress testing by July 31, 2016. As discussed below, the OCC has determined that an extension is appropriate.

Discussion

Twelve CFR part 46 establishes stress testing requirements for national banks and Federal savings associations with assets of more than \$10 billion. Covered banks and savings associations with assets of more than \$10 billion but less than \$50 billion in assets are required to conduct annual stress tests and submit their results to the OCC by July 31 of each year. Twelve CFR 46.4(a)(1) provides that the "OCC may accelerate or extend any specified deadline for stress testing, reporting, or publication of disclosures of the stress test results."

First Niagara Financial Group, Inc. ("FNFG") and KeyCorp have signed an Agreement and Plan of Merger pursuant to which KeyCorp would acquire FNFG, including its principal bank subsidiary, First Niagara Bank, National Association ("First Niagara"). FNFG expects to be acquired on August 1, 2016, pending regulatory approval, with the subsequent merger of First Niagara into Keybank National Association at a later date. Upon consummation of these transactions, First Niagara would cease to be an entity and would no longer be subject to the annual stress test rule. Keybank National Association previously submitted the results of the annual stress test to the OCC by the required April 5, 2016 date, which included forecasts of the First Niagara acquisition based on First Niagara data. Therefore, the OCC has determined that an extension to December 31, 2016 for First Niagara to complete its stress test is appropriate in the event that the merger of First Niagara into Keybank National Association is not consummated by

that date. Keybank National Association's submission obviates the need for a separate submission by First Niagara. If First Niagara ceases to exist by December 31, 2016, then a separate submission by First Niagara would not be a useful supervisory resource.

Conditions on Approval of Extensions

For the reasons described above, the OCC has determined that it will grant an extension until December 31, 2016, for First Niagara's stress testing submission pursuant to 12 CFR 46.4(a)(1), subject to the conditions set forth below. First Niagara must meet these conditions, unless notified otherwise in writing by the OCC.

1. For stress test results submitted by the December 31, 2016 deadline, First Niagara will use financial data as of December 31, 2015, the standard date provided in 12 CFR 46.
2. First Niagara will submit its results using the reporting forms and planning horizon provided by the OCC.
3. Pursuant to 12 CFR 46.8, First Niagara will publish a summary of its stress testing results no later than December 31, 2016.

The above-listed conditions of this approval are "condition[s] imposed in writing [by the OCC] in connection with any action on any application, notice, or other request" within the meaning of 12 USC 1818 and, as such, are enforceable under 12 USC 1818.

If you have any questions concerning this matter, please contact Examiner-in-Charge Francis X. Plonkey at (412) 702-0407.

Sincerely,

/s
Toney Bland
Senior Deputy Comptroller
Midsize and Community Bank Supervision