

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☐		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>SUSQUEHANNA BANCSHARES INC 401 (K) PLAN</u>	1b Three-digit plan number (PN) ►	<u>002</u>	
	1c Effective date of plan	<u>01/01/1989</u>	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>SUSQUEHANNA BANCSHARES, INC</u> <u>26 NORTH CEDAR STREET</u> <u>LITITZ, PA 17543-1000</u>	2b Employer Identification Number (EIN) <u>23-2201716</u>	2c Sponsor's telephone number <u>717-625-6424</u>	2d Business code (see instructions) <u>522110</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/06/2011</u>	<u>MICHAEL SQUIERDO</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") SUSQUEHANNA BANCSHARES, INC 26 NORTH CEDAR STREET LITITZ, PA 17543-1000	3b Administrator's EIN 23-2201716 3c Administrator's telephone number 717-625-6424
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	3442
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	2939
b Retired or separated participants receiving benefits.....	6b	15
c Other retired or separated participants entitled to future benefits.....	6c	501
d Subtotal. Add lines 6a , 6b , and 6c	6d	3455
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	9
f Total. Add lines 6d and 6e	6f	3464
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	3392
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	144

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2F 2G 2J 2K 2S 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan SUSQUEHANNA BANCSHARES INC 401 (K) PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 SUSQUEHANNA BANCSHARES, INC	D Employer Identification Number (EIN) 23-2201716	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

DIVERSIFIED INVESTMENT ADVISORS

13-3689044

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

DIVERSIFIED INVESTMENT ADVISORS

13-3689044

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
12 15 28 37 38 50 59 61 62 63 64 65	RECORD KEEPER	101600	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

NATIONAL FINANCIAL SERVICES

04-3523567

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
33	SECURITIES BROKERAGE	0	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

NRP FINANCIAL, INC.

PO BOX 998
BRYAN, OH 43506

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16	BROKER	0	Yes ☒ No ☐	Yes ☐ No ☒	41667	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
DIVERSIFIED INVESTMENT ADVISORS	12 15 28 37 38 50 54 59 61 62 63 64 65	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AMERICAN BEACON 4151 AMON CARTER BLVD MD 2450 FORT WORTH, TX 76155	REVENUE SHARING SEE ATTACHMENT TO LINE 2(H)	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
NATIONAL FINANCIAL SERVICES	33	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AMERICAN BEACON 4151 AMON CARTER BLVD MD 2450 FORT WORTH, TX 76155	REVENUE SHARING SEE ATTACHMENT TO LINE 2(H)	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
DIVERSIFIED INVESTMENT ADVISORS	12 15 28 37 38 50 54 59 61 62 63 64 65	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AMERICAN FUNDS 5300 ROBIN HOOD ROAD NORFOLK, VA 23513	REVENUE SHARING SEE ATTACHMENT TO LINE 2(H)	

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
NATIONAL FINANCIAL SERVICES	33	0
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>AMERICAN FUNDS 5300 ROBIN HOOD ROAD NORFOLK, VA 23513</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>REVENUE SHARING SEE ATTACHMENT TO LINE 2(H)</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(a) Enter service provider name as it appears on line 2</p> <p>DIVERSIFIED INVESTMENT ADVISORS</p> </div> <div style="width: 20%;"> <p>(b) Service Codes (see instructions)</p> <p>12 15 28 37 38 50 54 59 61 62 63 64 65</p> </div> <div style="width: 20%;"> <p>(c) Enter amount of indirect compensation</p> <p style="text-align: center;">0</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>BLACKROCK 40 EAST 52ND ST NEW YORK, NY 10022</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>REVENUE SHARING SEE ATTACHMENT TO LINE 2(H)</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(a) Enter service provider name as it appears on line 2</p> <p>NATIONAL FINANCIAL SERVICES</p> </div> <div style="width: 20%;"> <p>(b) Service Codes (see instructions)</p> <p style="text-align: center;">33</p> </div> <div style="width: 20%;"> <p>(c) Enter amount of indirect compensation</p> <p style="text-align: center;">0</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>BLACKROCK 40 EAST 52ND ST NEW YORK, NY 10022</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>REVENUE SHARING SEE ATTACHMENT TO LINE 2(H)</p> </div> </div>		

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
DIVERSIFIED INVESTMENT ADVISORS	12 15 28 37 38 50 54 59 61 62 63 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
ROYCE 745 FIFTH AVENUE NEW YORK, NY 10151	REVENUE SHARING SEE ATTACHMENT TO LINE 2(H)

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
NATIONAL FINANCIAL SERVICES	33	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
ROYCE 745 FIFTH AVENUE NEW YORK, NY 10151	REVENUE SHARING SEE ATTACHMENT TO LINE 2(H)

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
DIVERSIFIED INVESTMENT ADVISORS	12 15 28 37 38 50 54 59 61 62 63 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PIMCO 1345 AVENUE OF THE AMERICAS NEW YORK, NY 10105	REVENUE SHARING SEE ATTACHMENT TO LINE 2(H)

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
NATIONAL FINANCIAL SERVICES	33	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PIMCO	1345 AVENUE OF THE AMERICAS NEW YORK, NY 10105	REVENUE SHARING SEE ATTACHMENT TO LINE 2(H)
(a) Enter service provider name as it appears on line 2		(b) Service Codes (see instructions)
DIVERSIFIED INVESTMENT ADVISORS	12 15 28 37 38 50 54 59 61 62 63 64 65	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
THORNBURG	2300 NORTH RIDGETOP ROAD SANTA FE, NM 87506	REVENUE SHARING SEE ATTACHMENT TO LINE 2(H)
(a) Enter service provider name as it appears on line 2		(b) Service Codes (see instructions)
NATIONAL FINANCIAL SERVICES	33	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
THORNBURG	2300 NORTH RIDGETOP ROAD SANTA FE, NM 87506	REVENUE SHARING SEE ATTACHMENT TO LINE 2(H)

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
NRP FINANCIAL, INC.	16	41667
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
DIVERSIFIED INVESTMENT ADVISORS 13-3689044	COMMISSIONS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan SUSQUEHANNA BANCSHARES INC 401 (K) PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 SUSQUEHANNA BANCSHARES, INC	D Employer Identification Number (EIN) 23-2201716	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	686357	1504848
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	57084	109722
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	2238281	2861227
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	100317086	116532010
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	800263	1188617
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	104099071	122196424

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k		

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	104099071	122196424
---	-----------	-----------	-----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	6179680	
(B) Participants	2a(1)(B)	8291768	
(C) Others (including rollovers)	2a(1)(C)	603385	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		15074833
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	150584	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		150586
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1703481	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1703481
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		9251280
c Other income.....	2c		511956
d Total income. Add all income amounts in column (b) and enter total.....	2d		26692136

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	8472017	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		8472017
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		21166
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	101600	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		101600
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		8594783

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		18097353
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: REINSEL LUNTZ LESHAR LLP

(2) EIN: 23-2108173

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		50000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan SUSQUEHANNA BANCSHARES INC 401 (K) PLAN		B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 SUSQUEHANNA BANCSHARES, INC		D Employer Identification Number (EIN) 23-2201716
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 13-3689044		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3 308
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☐ No ☐ N/A		
If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____		
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		
Schedule R (Form 5500) 2010 v.092308.1		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**Susquehanna Bancshares, Inc. 401(k) Plan
Financial Statements
and Supplemental Schedule
December 31, 2010 and 2009**

Susquehanna Bancshares, Inc. 401(k) Plan
Financial Statements and Supplemental Schedule
December 31, 2010 and 2009

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Independent Auditors' Report on the Financial Statements

Administrative Committee of the
Susquehanna Bancshares, Inc. 401(k) Plan
Lititz, Pennsylvania

We have audited the accompanying statements of net assets available for benefits of Susquehanna Bancshares, Inc. 401(k) Plan (Plan) as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2010 and 2009, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Reinsel Kuntz Leshner LLP

September 30, 2011

Susquehanna Bancshares, Inc. 401(k) Plan
Statements of Net Assets Available for Benefits

	DECEMBER 31, <u>2010</u>	<u>2009</u>
Assets		
Investments, at fair value:		
Temporary cash investments	\$ 109,722	\$ 57,084
Common stock	1,188,617	800,263
Registered investment companies	<u>116,532,010</u>	<u>100,317,086</u>
	117,830,349	101,174,433
Receivables:		
Employer contributions	1,504,848	686,357
Notes receivable from participants	<u>2,861,227</u>	<u>2,238,281</u>
	4,366,075	2,924,638
Net Assets Available for Benefits	<u>\$122,196,424</u>	<u>\$104,099,071</u>

See accompanying notes.

Susquehanna Bancshares, Inc. 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

	YEAR ENDED DECEMBER 31,	
	<u>2010</u>	<u>2009</u>
Additions:		
Contributions:		
Participants' elective contributions	\$ 8,291,768	\$ 8,373,843
Employers' contributions	6,179,680	5,110,579
Participants' rollover contributions	<u>603,385</u>	<u>416,530</u>
	<u>15,074,833</u>	<u>13,900,952</u>
Investment activities:		
Dividend income	1,703,483	1,994,706
Net investment gain from common collective trust funds	-	88
Net investment gain from registered investment companies	9,251,280	13,862,212
Realized and unrealized net appreciation (depreciation) of common stock	<u>511,956</u>	<u>(1,291,296)</u>
	<u>11,466,719</u>	<u>14,565,710</u>
Interest income on notes receivable from participants	<u>150,584</u>	<u>133,792</u>
Total Additions	26,692,136	28,600,454
Deductions:		
Benefits paid to participants	8,493,183	6,570,039
Administrative expenses	<u>101,600</u>	<u>98,196</u>
Total Deductions	<u>8,594,783</u>	<u>6,668,235</u>
Net Increase	18,097,353	21,932,219
Net Assets Available for Benefits at Beginning of Year	<u>104,099,071</u>	<u>82,166,852</u>
Net Assets Available for Benefits at End of Year	<u>\$122,196,424</u>	<u>\$104,099,071</u>

See accompanying notes.

Susquehanna Bancshares, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2010 and 2009

Note A - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note G for discussion of fair value measurements.

Net investment gain (loss) from registered investment companies include capital gain distributions and realized and unrealized appreciation (depreciation). Net investment gain (loss) from common collective trust funds include interest and realized and unrealized appreciation (depreciation). Realized gains and losses are combined with unrealized appreciation (depreciation) to compute net appreciation (depreciation) for the year for common stock.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued, but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Administrative Expenses

Administrative expenses are paid by the Company and the Plan. Effective May 1, 2010, the Plan entered into an agreement with Diversified Investment Advisors, custodian, to create an Expense Budget Account (EBA). The EBA will be credited with quarterly deposits made by the plan sponsor to be used to pay plan related expenses.

Payment of Benefits

Benefit payments to participants are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Note A - Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In January 2010, FASB issued an amendment, *Fair Value Measurements and Disclosures - Improving Disclosures about Fair Value Measurement* (ASU 2010-06), which requires new disclosures about transfers of financial assets and liabilities between Levels 1 and 2. This amendment also clarifies that fair value measurement disclosures are required for each class of financial assets and liabilities, and disclosures about inputs and valuation techniques are required for both Level 2 and 3 measurements. It further clarifies that the reconciliation of Level 3 measurements should separately present purchases, sales, issuances, and settlements instead of netting these changes. With respect to matters other than Level 3 measurements, the amendment was effective and adopted for periods beginning on or after December 15, 2009. See Note G for the impact of adoption. The guidance related to Level 3 measurements is effective for periods beginning on or after December 15, 2010 and has not yet been adopted. The Plan will be required to adopt this disclosure in its 2011 financial statements. Plan management is currently evaluating the impact of the guidance related to Level 3 measurements on the Plan's financial statement disclosures.

In September 2010, FASB issued an amendment, *Plan Accounting - Defined Contribution Pension Plans (Topic 962): Reporting Loans to Participants by Defined Contribution Pension Plans* (ASU 2010-25), which provides guidance on how loans to participants should be classified and measured by defined contribution pension plans. This amendment requires that participant loans be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued, but unpaid interest. This amendment was effective for periods ending after December 15, 2010, with early adoption permitted. This amendment requires retrospective application to all periods presented.

This amendment was adopted for the year ended December 31, 2010, and retrospectively applied to December 31, 2009. Prior year amounts and disclosures have been revised to reflect the retrospective application of adopting this new amendment. The adoption resulted in a reclassification of participant loans totaling \$2,238,281 from investments to notes receivable as of December 31, 2009. There was no impact to net assets as of December 31, 2009, as a result of the adoption. This also resulted in a decrease to 2009 investment income of \$133,792, due to separately presenting interest income on notes receivable from participants.

Reclassifications

Amounts previously shown have been reclassified to conform to the current year presentation.

Note B - Description of the Plan

The following description of the Susquehanna Bancshares, Inc. 401(k) Plan (Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all full-time employees and certain part-time employees of Susquehanna Bancshares, Inc. and its Subsidiaries (Company). Employees must complete three months of service to begin making salary deferral contributions and one year of service to be eligible for the Company's matching contribution. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Note B - Description of the Plan (continued)

General (continued)

Employers participating in the Plan are as follows:

<u>NAME OF EMPLOYER</u>

Susquehanna Bancshares, Inc.
Susquehanna Bank
Susquehanna Trust & Investment Company
Boston Service Company, Inc. (t/a Hann Financial Service Corp.)
Valley Forge Asset Management Corp.
The Addis Group, LLC
Susquehanna Commercial Finance, Inc.
Stratton Management Company

Plan Amendment

Effective January 1, 2011, the Plan's automatic enrollment provision was amended to provide for annual increases, on the first day of the plan year, of the participant's automatic deferral rate at a rate of 1% per year until the automatic deferral percentage reaches 6% or until otherwise directed by the participant.

Contributions

Each year, participants may contribute up to 100% of pretax annual compensation as defined in the Plan. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans and annuity contracts. Participants are automatically enrolled in the Plan and 3% of pretax annual compensation is withheld from the participant's eligible compensation. Participants are given the option to discontinue participation or change the deferral percentage at any time.

The Plan utilizes a safe harbor matching contribution formula. The Company matches 100% of the first 3% and 50% of the next 2% of a participant's eligible compensation made as an elective deferral.

Effective July 1, 2009, the Plan was amended to allow for an employer nonelective contribution due to the Company freezing certain benefits effective June 30, 2009 under the defined benefit plan sponsored by the Company. Employees who were hired before January 1, 2009 and who were not age 50 or who had not earned at least 15 years of vesting service as of December 31, 2009 became eligible for an automatic 2% employer nonelective contribution as of July 1, 2009, even if the employee is not contributing to the Plan. Employees who are hired on or after January 1, 2009 will be eligible for the automatic 2% employer nonelective contribution once they have met the eligibility requirements, even if the employee is not contributing to the Plan.

Participants direct the investment of all contributions into various investment options offered by the Plan. The Plan currently offers sixteen mutual funds as investment options for participants. Contributions are subject to certain limitations. The common stock of the Company is not an investment option available to participants for future purchases. The common stock was transferred into the Plan in connection with the acquisition of Community Banks, Inc. and the stock held by former participants in the Community Banks, Inc. 401(k) Plan.

Note B - Description of the Plan (continued)

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contributions and (b) plan earnings and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. A participant who requests a loan from the Plan is directly charged a processing fee. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching contributions made prior to 2009 will be 20% vested upon one year of service and 100% vested upon two years of service.

Vesting in the Company's safe harbor matching contributions as of January 1, 2009 will become 100% vested after two years of service. Vesting in the Company's nonelective contributions will vest 20% for each year of service with 100% vesting after five years of service. Participants in the former Community Banks, Inc. 401(k) Plan who became participants in this Plan are 100% vested in all contributions made prior to January 1, 2008. Regardless of the number of years of service, a participant's employer account balance becomes fully vested when a participant retires, becomes permanently disabled or dies.

Payment of Benefits

Distribution of a participant's benefit shall be in the form of an annuity, lump sum, cash installments, partial payment, cash, and employer securities.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000, effective November 1, 2010, up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Prior to November 1, 2010, the minimum loan amount was \$500. Loan terms range from one to five years. The loans are secured by the balance in the participant's account and bear interest at prime rate plus 2.00%, set two times per month. Prior to July 1, 2007, new loans issued charged interest at a rate commensurate with local prevailing rates as determined by the Administrative Committee. Interest rates range from 5.25% to 12.25%. Principal and interest is paid ratably through biweekly payroll deductions.

Forfeited Accounts

Forfeited non-vested accounts, including earnings thereon, totaled \$26,812 and \$38,295 for 2010 and 2009, respectively. Employer contributions were reduced by \$20,000 and \$314,014 during 2010 and 2009, respectively. \$144 was used to pay administrative expenses during 2009, none during 2010. At December 31, 2010 and 2009, forfeited non-vested accounts totaled \$30,175 and \$23,363, respectively. These accounts will be used first to restore a participant's account upon re-employment, pay administrative expenses, and then to reduce future employer contributions.

Note B - Description of the Plan (continued)

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100 percent vested in their employer contribution accounts.

Note C - Income Tax Status

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan. Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax exempt status and had taken no uncertain tax positions that require recognition or disclosure in the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. With few exceptions, the Plan is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years before 2007.

The Plan has adopted a non-standardized form of a prototype plan sponsored by Diversified Investment Advisors, Inc. The prototype plan has received an opinion letter from the Internal Revenue Service dated March 31, 2008, as to the prototype plan's qualified status. The prototype plan opinion letter has been relied upon by this Plan. The Plan has been amended since receiving the determination letter. The plan administrator believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

Note D - Investments

The following table presents the fair values of investments. Investments that represent 5% or more of the Plan's net assets are separately identified. All investments are participant-directed.

	DECEMBER 31, 2010		DECEMBER 31, 2009	
	NUMBER OF SHARES	FAIR VALUE	NUMBER OF SHARES	FAIR VALUE
INVESTMENTS AT FAIR VALUE				
Temporary cash investments		\$ 109,722		\$ 57,084
Registered investment companies:				
Transamerica Partners Institutional Core Bond Fund	651,890.0 shs.	7,020,856	539,056.7 shs.	5,616,971
Transamerica Partners Institutional Money Market Fund	1,170,660.7 shs.	11,780,826	1,243,404.5 shs.	12,512,877
Transamerica Partners Institutional Stock Index Fund	1,604,628.9 shs.	13,494,929	1,515,422.5 shs.	11,289,898
BlackRock LifePath 2020 Fund	474,921.7 shs.	7,560,753	465,707.1 shs.	6,808,638
BlackRock LifePath Retirement Fund	717,687.8 shs.	8,289,294	727,650.5 shs.	7,858,625
Vanguard Intermediate Term U.S. Treasury Fund	930,390.3 shs.	10,541,322	917,023.2 shs.	10,169,787
American Funds EuroPacific Growth Fund	187,293.7 shs.	7,609,743	185,780.7 shs.	7,000,216
American Funds Growth Fund of America	435,403.2 shs.	13,053,387	412,415.1 shs.	11,106,339
American Beacon Large Cap Value Fund	709,706.4 shs.	13,150,860	665,865.1 shs.	10,933,504
Other		<u>24,030,040</u>		<u>17,020,231</u>
		116,532,010		100,317,086
Common stock		<u>1,188,617</u>		<u>800,263</u>
TOTAL INVESTMENTS		<u>\$117,830,349</u>		<u>\$101,174,433</u>

Note E - Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Note F - Related Party Transactions

Diversified Investment Advisors provide administrative services to the Plan and, therefore, the transactions qualify as party-in-interest. Fees paid by the Plan for record keeping services in conjunction with processing loans and plan service fees amounted to \$101,600 and \$98,196 for 2010 and 2009, respectively.

Certain plan investments are shares of mutual funds management by Transamerica Partners Institutional Funds Group (Transamerica). Transamerica and Diversified Investment Advisors are commonly owned. Therefore, these transactions qualify as party-in-interest.

At December 31, 2010 and 2009, the Plan held in its investment portfolio 122,791 and 135,868 shares, respectively, of common stock of Susquehanna Bancshares, Inc. The fair value of this investment amounted to \$1,188,617 and \$800,263 at December 31, 2010 and 2009, respectively.

Note G - Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

- | | |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access. |
| Level 2 | <p>Inputs to the valuation methodology include:</p> <ul style="list-style-type: none">• Quoted prices for similar assets or liabilities in active markets;• Quoted prices for identical or similar assets or liabilities in inactive markets;• Inputs other than quoted prices that are observable for the asset or liability;• Inputs that are derived principally from or corroborated by observable market data by correlation or other means. |

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- | | |
|---------|---|
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |
|---------|---|

Note G - Fair Value Measurements (continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010 and 2009.

Registered investment companies: Valued at the net asset value (NAV) of shares held by the Plan at year end.

Temporary cash investments: Valued at the net asset value (NAV) of shares held by the Plan at year end.

Common stock: Valued at the closing price reported on the active market on which the security is traded.

The methods described above may produce a fair value calculation that may not be indicative of net realized value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010 and 2009.

	DECEMBER 31, 2010			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Registered investment companies:				
Domestic stock funds	\$ 52,949,925	\$ -	\$ -	\$ 52,949,925
Balanced funds	24,671,567	-	-	24,671,567
Money market fund	11,780,826	-	-	11,780,826
International stock fund	7,609,743	-	-	7,609,743
Fixed income funds	<u>19,519,949</u>	<u>-</u>	<u>-</u>	<u>19,519,949</u>
Total registered investment companies	116,532,010	-	-	116,532,010
Common stock	1,188,617	-	-	1,188,617
Temporary cash investments	<u>109,722</u>	<u>-</u>	<u>-</u>	<u>109,722</u>
TOTAL ASSETS AT FAIR VALUE	\$117,830,349	\$ -	\$ -	\$117,830,349

Note G - Fair Value Measurements (continued)

	DECEMBER 31, 2009			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Registered investment companies:				
Domestic stock funds	\$ 43,706,372	\$ -	\$ -	\$ 43,706,372
Balanced funds	21,310,863	-	-	21,310,863
Money market fund	12,512,877	-	-	12,512,877
International stock fund	7,000,216	-	-	7,000,216
Fixed income funds	<u>15,786,758</u>	<u>-</u>	<u>-</u>	<u>15,786,758</u>
Total registered investment companies	100,317,086	-	-	100,317,086
Common stock	800,263	-	-	800,263
Temporary cash investments	<u>57,084</u>	<u>-</u>	<u>-</u>	<u>57,084</u>
TOTAL ASSETS AT FAIR VALUE	<u>\$101,174,433</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$101,174,433</u>

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2010, there were no significant transfers in or out of Levels 1, 2, or 3.

Note H - Reconciliation of Financial Statements to the Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	DECEMBER 31,	
	2010	2009
Net assets available for benefits per the financial Statements	\$122,196,424	\$104,099,071
Differences in:		
Investments	2,861,227	2,238,281
Notes receivable from participants	<u>(2,861,227)</u>	<u>(2,238,281)</u>
Net assets receivable for benefits per the Form 5500	<u>\$122,196,424</u>	<u>\$104,099,071</u>

Note I - Subsequent Events

The Plan has evaluated subsequent events through September 30, 2011. This date is the date the financial statements were available to be issued. Effective March 1, 2011, the Plan was amended to eliminate the service requirement of three months for employees to become eligible to make salary deferral contributions. In addition, the Plan was amended to implement a 90-day administrative wait period for automatic enrollment in the Plan.



Independent Auditors' Report on the Supplemental Schedule

Administrative Committee of the
Susquehanna Bancshares, Inc. 401(k) Plan
Lititz, Pennsylvania

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of Schedule H, Line 4i - Schedule of Assets (Held at End of Year) at December 31, 2010, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ReinseL Kuntz Lesher LLP

September 30, 2011

Supplemental Schedule

Susquehanna Bancshares, Inc. 401(k) Plan

EIN #23-2201716 Plan #001

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2010

(a)	(b) IDENTITY OF ISSUE, BORROWER, LESSOR, OR SIMILAR PARTY	(c) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE OF INTEREST, COLLATERAL, PAR, OR MATURITY VALUE	(d) COST	(e) CURRENT VALUE
	Temporary cash investments:			
*	State Street Bank & Trust Co.		**	\$ 71,842
*	State Street Bank & Trust Co.	37,879.7 shs. State Street Institutional Liquid Reserves Fund	**	37,880
				<u>109,722</u>
	Registered investment companies:			
	The Vanguard Group	930,390.3 shs. Vanguard Intermediate Term U.S. Treasury Fund	**	10,541,322
	BlackRock, Inc.	474,921.7 shs. BlackRock LifePath 2020 Fund	**	7,560,753
	BlackRock, Inc.	363,493.6 shs. BlackRock LifePath 2030 Fund	**	5,317,912
	BlackRock, Inc.	134,095.8 shs. BlackRock LifePath 2040 Fund	**	2,384,222
	BlackRock, Inc.	60,214.4 shs. BlackRock LifePath 2050 Fund	**	1,119,386
	BlackRock, Inc.	717,687.8 shs. BlackRock LifePath Retirement Fund	**	8,289,294
	PIMCO Funds	188,428.3 shs. PIMCO Low Duration Institutional Fund	**	1,957,771
	Royce Funds	463,245.6 shs. Royce Pennsylvania Mutual Fund	**	5,396,811
*	Transamerica Partners Funds Group	651,890.0 shs. Transamerica Partners Institutional Core Bond Fund	**	7,020,856
*	Transamerica Partners Funds Group	325,908.5 shs. Transamerica Partners Institutional Mid Value Fund	**	4,699,601
*	Transamerica Partners Funds Group	1,170,660.7 shs. Transamerica Partners Institutional Money Market Fund	**	11,780,826
*	Transamerica Partners Funds Group	1,604,628.9 shs. Transamerica Partners Institutional Stock Index Fund	**	13,494,929
	Thornburg Investment Management	195,436.0 shs. Thornburg Core Growth Fund	**	3,154,337
	American Beacon	709,706.4 shs. American Beacon Large Cap Value Fund	**	13,150,860
	American Funds	187,293.7 shs. American Funds EuroPacific Growth Fund	**	7,609,743
	American Funds	435,403.2 shs. American Funds Growth Fund of America	**	13,053,387
				<u>116,532,010</u>
	Common stock -			
*	Susquehanna Bancshares, Inc.	122,791.0 shs.	**	1,188,617
*	Participant loans	5.25% to 12.25%	**	<u>2,861,227</u>
	Total Assets (Held at End of Year)			<u><u>\$ 120,691,576</u></u>

* Represents a party-in-interest.

** Cost omitted for participant-directed investments.

Schedule C, Line 2(h) Formula Descriptions

Susquehanna Bancshares, Inc. 401(k) Plan

EIN No.: 23-2201716, Plan No. 002

Plan Year Ending: 12/31/2010

Indirect Compensation in the form of revenue sharing was paid to the following Service Providers:

Diversified Investment Advisors (13-3689044)

National Financial Services (04-3523567)

Mid Atlantic Capital Corporation (25-1409618)

Revenue amounts are shown in annualized basis points of plan assets invested in applicable fund

Fund Family	Fund Name	Start Date	End Date	Revenue to Diversified Investment Advisors	Revenue to National Financial Services	Revenue to Mid Atlantic Capital Corporation
AMERICAN BEACON	AMERICAN BEACON LRGE CP VAL IN	1/1/2010	1/31/2010	35.779	1.221	
AMERICAN BEACON	AMERICAN BEACON LRGE CP VAL IN	2/1/2010	12/31/2010	38.680	1.320	
AMERICAN FUNDS	AMERICAN FUNDS EUROPACIFIC R3	1/1/2010	12/31/2010	62.855	2.145	
AMERICAN FUNDS	AMERICAN GRWTH FUND OF AMERICA	1/1/2010	12/31/2010	62.855	2.145	
BLACKROCK	BLACKROCK LIFEPATH 2020	1/1/2010	12/31/2010	38.680	1.320	
BLACKROCK	BLACKROCK LIFEPATH 2030	1/1/2010	12/31/2010	38.680	1.320	
BLACKROCK	BLACKROCK LIFEPATH 2040	1/1/2010	12/31/2010	38.680	1.320	
BLACKROCK	BLACKROCK LIFEPATH 2050	1/1/2010	12/31/2010	38.680	1.320	
BLACKROCK	BLACKROCK LIFEPATH RETIRE I	1/1/2010	12/31/2010	38.680	1.320	
ROYCE	PENNSYLVANIA MUTUAL, INV	1/1/2010	5/31/2010	9.670	0.330	
ROYCE	PENNSYLVANIA MUTUAL, INV	6/1/2010	12/31/2010	19.340	0.660	
PIMCO	PIMCO LOW DURATION, INST	1/1/2010	12/31/2010	0.000	0.000	
THORNBURG	THORNBURG CORE GROWTH	1/1/2010	12/31/2010	24.175	0.825	

Susquehanna Bancshares, Inc. 401(k) Plan
 EIN No.: 23-2201716, Plan No. 002
 Schedule H, Line 4i - Schedule of Assets
 Plan Year Ending: 12/31/2010

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Par or Maturity Value	(e) CURRENT VALUE
*	State Street Bank & Trust Co.	Cash Reserve Account	\$ 109,722
	American Beacon	American Beacon Large Cap Value Inv	\$ 13,150,860
	American Funds	American Funds EuroPacific Growth R3	\$ 7,609,743
	American Funds	American Funds Growth Fund of America R3	\$ 13,053,387
	BlackRock	BlackRock LifePath 2020 Instl	\$ 7,560,753
	BlackRock	BlackRock LifePath 2030 Instl	\$ 5,317,912
	BlackRock	BlackRock LifePath 2040 Instl	\$ 2,384,222
	BlackRock	BlackRock LifePath 2050 Instl	\$ 1,119,386
	BlackRock	BlackRock LifePath Retirement Instl	\$ 8,289,294
	Royce	Royce Pennsylvania Mutual Inv	\$ 5,396,811
	PIMCO	PIMCO Low Duration, Inst	\$ 1,957,771
	Transamerica Partners Funds Group	Transamerica Partners Institutional Core Bond	\$ 7,020,856
	Transamerica Partners Funds Group	Transamerica Partners Institutional Mid Value	\$ 4,699,601
	Transamerica Partners Funds Group	Transamerica Partners Institutional Money Market	\$ 11,780,826
	Transamerica Partners Funds Group	Transamerica Partners Institutional Stock Index Fund	\$ 13,494,929
	Thornburg	Thornburg Core Growth R5	\$ 3,154,337
	Vanguard	Vanguard Intermediate Term US Treasury Adm	\$ 10,541,322
		Mutual Funds Total	\$ 116,532,010
	Susquehanna Bancshares, Inc.	SBI Employer Stock	\$ 1,188,617
*	Participants	Notes Receivable with interest rates of 2.99% to 12.25%	\$ 2,861,227
		TOTAL PLAN ASSETS	\$ 120,691,576

* Indicates Party-In-Interest to the Plan