

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), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</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>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1989</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>23-2201716</u></td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number <u>717-625-6424</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>522110</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>01/01/1989</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>	
1b Three-digit plan number (PN) ▶	<u>002</u>										
1c Effective date of plan <u>01/01/1989</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>											
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>SUSQUEHANNA BANCSHARES, INC</u> <u>26 NORTH CEDAR STREET</u> <u>LITITZ, PA 17543-1000</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	Filed with authorized/valid electronic signature.	10/15/2014	MARK W. BLAZEK
	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
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN	
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		3c Administrator's telephone number 4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year		5	5696
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	3710
b Retired or separated participants receiving benefits		6b	30
c Other retired or separated participants entitled to future benefits		6c	2393
d Subtotal. Add lines 6a , 6b , and 6c		6d	6133
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e	15
f Total. Add lines 6d and 6e		6f	6148
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	6078
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	149
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics 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 Characteristics 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	
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)	

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
		2013
		This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

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
TRANSAMERICA RETIREMENT SOLUTIONS

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)

TRANSAMERICA RETIREMENT SOLUTIONS

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	495074	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 71	SECURITIES BROKER	0	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

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

STONE STREET EQUITY, LLC

26-3896957

(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?
27 51	INVESTMENT ADVISOR	80000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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)

(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
TRANSAMERICA RETIREMENT SOLUTIONS	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.
BLACKROCK 40 EAST 52ND ST NEW YORK, NY 10022	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
TRANSAMERICA RETIREMENT SOLUTIONS	15 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)	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
TRANSAMERICA RETIREMENT SOLUTIONS	16 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)	

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
TRANSAMERICA RETIREMENT SOLUTIONS	17 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)	
<hr/>		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
TRANSAMERICA RETIREMENT SOLUTIONS	18 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)	
<hr/>		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
TRANSAMERICA RETIREMENT SOLUTIONS	19 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.
WELLS FARGO 30 DAN ROAD CANTON, MA 02021	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
TRANSAMERICA RETIREMENT SOLUTIONS	21 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.	
OPPENHEIMER TWO WORLD FINANCIAL CENTER 225 LIBERTY STREET NEW YORK, NY 10281	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
TRANSAMERICA RETIREMENT SOLUTIONS	23 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 CENTURY PO BOX 419200 KANSAS CITY, MO 64141	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
TRANSAMERICA RETIREMENT SOLUTIONS	24 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.	
MAINSTAY PO BOX 8401 BOSTON, MA 02266	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 71	0
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> (d) Enter name and EIN (address) of source of indirect compensation </div> <div style="width: 40%;"> (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. </div> </div>		
BLACKROCK 40 EAST 52ND ST NEW YORK, NY 10022	REVENUE SHARING SEE ATTACHMENT TO LINE 2(H)	
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> (a) Enter service provider name as it appears on line 2 </div> <div style="width: 20%;"> (b) Service Codes (see instructions) </div> <div style="width: 20%;"> (c) Enter amount of indirect compensation </div> </div>		
NATIONAL FINANCIAL SERVICES	33 71	0
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> (d) Enter name and EIN (address) of source of indirect compensation </div> <div style="width: 40%;"> (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. </div> </div>		
AMERICAN FUNDS 5300 ROBIN HOOD ROAD NORFOLK, VA 23513	REVENUE SHARING SEE ATTACHMENT TO LINE 2(H)	
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> (a) Enter service provider name as it appears on line 2 </div> <div style="width: 20%;"> (b) Service Codes (see instructions) </div> <div style="width: 20%;"> (c) Enter amount of indirect compensation </div> </div>		
NATIONAL FINANCIAL SERVICES	33 71	0
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> (d) Enter name and EIN (address) of source of indirect compensation </div> <div style="width: 40%;"> (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. </div> </div>		
ROYCE 745 FIFTH AVENUE NEW YORK, NY 10151	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 71	0
(d) Enter name and EIN (address) of source of 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		
NATIONAL FINANCIAL SERVICES	33 71	0
(d) Enter name and EIN (address) of source of 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		
NATIONAL FINANCIAL SERVICES	33 71	0
(d) Enter name and EIN (address) of source of indirect compensation		
WELLS FARGO 30 DAN ROAD CANTON, MA 02021	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 71	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.
OPPENHEIMER TWO WORLD FINANCIAL CENTER 225 LIBERTY STREET NEW YORK, NY 10281	REVENUE SHARING SEE ATTACHMENT TO LINE 2(H)	
<hr/>		
(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 71	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 CENTURY PO BOX 419200 KANSAS CITY, MO 64141	REVENUE SHARING SEE ATTACHMENT TO LINE 2(H)	
<hr/>		
(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 71	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.
MAINSTAY PO BOX 8401 BOSTON, MA 02266	REVENUE SHARING SEE ATTACHMENT TO LINE 2(H)	

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

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:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

<div>SCHEDULE D</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2013</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013					
A Name of plan SUSQUEHANNA BANCSHARES INC 401 (K) PLAN				B Three-digit plan number (PN) ▶ 002	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 SUSQUEHANNA BANCSHARES, INC				D Employer Identification Number (EIN) 23-2201716	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: DIVERSIFIED STABLE POOLED FUND					
b Name of sponsor of entity listed in (a): DIVERSIFIED INVESTMENT ADVISORS					
c EIN-PN 04-6784256-001		d Entity code C		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3275040	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	

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

Schedule D (Form 5500) 2013 v. 130118

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>		
A Name of plan <u>SUSQUEHANNA BANCSHARES INC 401 (K) PLAN</u>		B Three-digit plan number (PN) <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SUSQUEHANNA BANCSHARES, INC</u>		D Employer Identification Number (EIN) <u>23-2201716</u>

Part I Asset and Liability Statement			
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	94583	172850
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	1979538	2633821
(2) Participant contributions.....	1b(2)	5351	
(3) Other.....	1b(3)	4451	5189
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	172665	55310
(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)	4104270	4300240
(9) Value of interest in common/collective trusts	1c(9)	1813890	3275040
(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)	141321679	176351706
(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)	1112012	862026
(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	150608439	187656182

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	150608439	187656182
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	8486085	
(B) Participants	2a(1)(B)	11871285	
(C) Others (including rollovers)	2a(1)(C)	4517981	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		24875351

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	7	
(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)	206761	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		206768

(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)	2718162	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		2718162

(3) Rents	2b(3)		
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(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)		

(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)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		32460
(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)		24359145
c Other income.....	2c		218795
d Total income. Add all income amounts in column (b) and enter total.....	2d		52410681

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	14772922	
(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)		14772922
f Corrective distributions (see instructions).....	2f		578
g Certain deemed distributions of participant loans (see instructions).....	2g		14364
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)	80000	
(4) Other.....	2i(4)	495074	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		575074
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		15362938

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		37047743
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 KUNTZ LESHER 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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

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.).....

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.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information 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). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>SUSQUEHANNA BANCSHARES INC 401 (K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SUSQUEHANNA BANCSHARES, INC</u>	D Employer Identification Number (EIN) <u>23-2201716</u>

Part I	Distributions
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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	<u>0</u>
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): <u>13-3689044</u>		
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	<u>420</u>

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)
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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 (include any prior year accumulated funding deficiency not waived)	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 or other authority 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
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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. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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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.
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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

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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (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 line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Susquehanna Bancshares, Inc. 401(k) Plan

**Financial Statements and
Supplemental Schedule**

December 31, 2013 and 2012

Susquehanna Bancshares, Inc. 401(k) Plan

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December 31, 2013 and 2012

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Independent Auditor's Report

To the Benefits Committee and Participants
Susquehanna Bancshares, Inc. 401(k) Plan
Lititz, Pennsylvania

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Susquehanna Bancshares, Inc. 401(k) Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the basis for disclaimer of opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified or provided by State Street Bank and Trust Company, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's assets and executes transactions. The plan administrator has obtained certifications from the trustee as of December 31, 2013 and 2012, and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

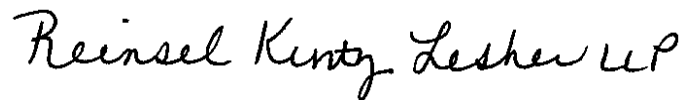
Because of the significance of the matter described in the basis for disclaimer of opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule of Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2013, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, and is presented for the purposes of additional analysis, and is not a required part of the financial statements. The supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the basis for disclaimer of opinion paragraph, we do not express an opinion on the supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified or provided by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

A handwritten signature in black ink that reads "Reinsel Kintz Lesher LLP". The signature is written in a cursive, flowing style.

October 14, 2014
Lancaster, Pennsylvania

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

	December 31,	
	2013	2012
	<u>2013</u>	<u>2012</u>
Assets		
Cash	\$ 172,850	\$ 94,583
Investments, at Fair Value	180,544,082	144,420,246
Receivables		
Employer contributions	2,633,821	1,979,538
Participant contributions	-	5,351
Notes receivable from participants	4,300,240	4,104,270
Accrued interest income	5,189	4,451
	<u>6,939,250</u>	<u>6,093,610</u>
Net Assets Available for Benefits	<u>\$ 187,656,182</u>	<u>\$ 150,608,439</u>

Susquehanna Bancshares, Inc. 401(k) Plan**Statement of Changes in Net Assets Available for Benefits**

	Years Ended December 31, 2013	2012
Additions		
Investment income		
Net appreciation in fair value of investments	\$ 24,610,400	\$ 11,426,484
Interest and dividends	2,718,169	2,324,513
	27,328,569	13,750,997
Interest income on notes receivable from participants	206,761	190,682
Contributions		
Employer	8,486,085	7,778,464
Participants	11,871,285	10,099,060
Rollovers	4,517,981	2,838,131
	24,875,351	20,715,655
Total Additions	52,410,681	34,657,334
Deductions		
Benefits paid to participants	14,787,864	14,121,303
Administrative expenses	575,074	273,934
Total Deductions	15,362,938	14,395,237
Net Increase	37,047,743	20,262,097
Net Assets Available for Benefits at Beginning of Year	150,608,439	130,346,342
Net Assets Available for Benefits at End of Year	\$ 187,656,182	\$ 150,608,439

Susquehanna Bancshares, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2013 and 2012

Note 1 - Description of Plan

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

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 (the Company). Employees are eligible to begin making salary deferral contributions upon date of hire. Employees must complete 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).

Employers participating in the Plan are as follows:

- 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
- Abington Bancorp, Inc.

The Company acquired Tower Bancorp, Inc. on February 17, 2012. Tower Bancorp, Inc. was merged into Susquehanna Bancshares, Inc. The employees of Tower Bancorp, Inc. became eligible to participate in the Plan effective March 1, 2012. Prior service with Tower Bancorp, Inc. will be credited for such employees for eligibility, allocation accrual, and vesting purposes for this Plan.

Plan Amendments

Effective January 1, 2014, the Plan was amended to increase the maximum rate for the automatic deferral percentage from 6% to 10% with continued 1% annual increases. The Plan was also amended to permit auto re-enrollment for participants who are deferring below the initial automatic deferral percentage of 3% to be auto re-enrolled annually at the 3% default elective deferral percentage. In addition, the Plan was amended to permit Roth contributions and participants will be 100% vested in their accounts, including all employer contributions.

Susquehanna Bancshares, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2013 and 2012

Note 1 - Description of Plan (continued)

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. The automatic deferral rate increases annually at a rate of 1% per year until the automatic deferral percentage reaches 6%. 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. Contributions are subject to certain IRS 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.

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.

Susquehanna Bancshares, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2013 and 2012

Note 1 - Description of Plan (continued)

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the remainder of their accounts is based on years of service. Vesting in the Company's matching contributions made prior to 2009 will be 100% vested after two years of service based on the following vesting schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
Less than 1	0 %
1	20
2	100

Vesting in the Company's safe harbor matching contributions as of January 1, 2009 will be 100% vested after two years of service based on the following vesting schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
Less than 2	0 %
2	100

Vesting in the Company's nonelective contributions will be 100% vested after five years of service based on the following vesting schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
Less than 1	0 %
1	20
2	40
3	60
4	80
5	100

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.

Notes Receivable from Participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms range from one to five years. The loans are secured by the balance in the participant's account and bear interest at the prime rate plus 2.00%, set two times per month. Principal and interest are paid ratably through biweekly payroll deductions.

Susquehanna Bancshares, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2013 and 2012

Note 1 - Description of Plan (continued)

Payment of Benefits

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

Forfeited Accounts

At December 31, 2013 and 2012, forfeited nonvested accounts totaled \$14,367 and \$125,024, respectively. These accounts may be used to restore a participant's account upon re-employment, pay administrative expenses, and to reduce future employer contributions. Employer contributions were reduced by \$199,775 and \$430 during 2013 and 2012, respectively.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

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

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.

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 4 for discussion of fair value measurements.

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. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

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

Payment of Benefits

Benefits are recorded when paid.

Susquehanna Bancshares, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2013 and 2012

Note 2 - Summary of Significant Accounting Policies (continued)

Administrative Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Effective May 1, 2010, the Plan entered into an agreement with Transamerica Retirement Solutions Corporation, recordkeeper, to create an Expense Budget Account (EBA). The EBA will be credited with certain revenue from investment earnings as stated in the agreement between the Company and the recordkeeper. Fees will be paid from the EBA account to compensate the recordkeeper as well as other service providers to the Plan. These fees have been included in administrative expenses in the financial statements.

Note 3 - Information Certified and Provided by State Street Bank and Trust Company

The following is a summary of the Plan's asset information as of December 31, 2013 and 2012, and for the years then ended, included throughout the Plan's financial statements and supplemental schedule that was prepared by or derived from information provided by the trustee and furnished to the plan administrator. The plan administrator has obtained certifications from the trustee that information provided to the plan administrator by the trustee related to the following assets is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to information which appears throughout the financial statements and supplemental schedule related to the following assets. Investments that represent 5% or more of the Plan's net assets are separately identified at December 31:

	2013	2012
Cash	\$ 172,850	\$ 94,583
Investments, at Fair Value		
Registered investment companies		
Transamerica Partners Institutional Money Market Fund	\$ 10,244,966	\$ 9,651,945
Transamerica Partners Institutional Stock Index Fund	19,302,263	14,712,451
BlackRock LifePath 2020 Fund	11,203,967	9,420,134
BlackRock LifePath 2030 Fund	*	7,828,188
BlackRock LifePath Retirement Fund	*	8,892,337
Vanguard Intermediate Term U.S. Treasury Fund	10,822,360	11,985,443
American Funds EuroPacific Growth Fund	10,265,012	8,104,309
American Beacon Large Cap Value Fund	22,165,387	16,124,804
MainStay Large Cap Growth Fund	19,861,612	14,705,607
Wells Fargo Advantage Core Bond Fund	9,506,253	9,150,421
Other	62,979,886	30,746,040
	176,351,706	141,321,679
Common collective trust fund	3,275,040	1,813,890

Susquehanna Bancshares, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2013 and 2012

**Note 3 - Information Certified and Provided by State Street Bank and Trust Company
(continued)**

	<u>2013</u>	<u>2012</u>
Common stock	862,026	1,112,012
Temporary cash investments	<u>55,310</u>	<u>172,665</u>
	<u>\$ 180,544,082</u>	<u>\$ 144,420,246</u>
Notes Receivable from Participants	<u>\$ 4,300,240</u>	<u>\$ 4,104,270</u>
Accrued Interest Income	<u>\$ 5,189</u>	<u>\$ 4,451</u>

* Represents less than 5% of net assets.

State Street Bank and Trust Company also certified to the completeness and accuracy of \$24,610,400 and \$11,426,484 of net appreciation in fair value of investments and \$2,924,930 and \$2,515,195 of interest and dividend income related to the aforementioned assets for the years ended December 31, 2013 and 2012, respectively. The Plan's investments (including investments bought and sold, as well as held during the year) appreciated in value as follows for the years ended December 31:

	<u>2013</u>	<u>2012</u>
Registered investment companies	\$ 24,359,145	\$ 11,148,711
Common collective trust fund	32,460	25,472
Common stock	<u>218,795</u>	<u>252,301</u>
	<u>\$ 24,610,400</u>	<u>\$ 11,426,484</u>

Note 4 - Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the 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 as follows:

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.

Note 4 - Fair Value Measurements (continued)

Level 2 - Inputs to the valuation methodology include:

- 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; and
- 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.

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, 2013 and 2012.

Registered investment companies are valued at the net asset value of shares held by the Plan at year end.

The Plan's interest in the common collective trust fund is based on the fair value of the common collective trust fund's underlying investments, as based on information reported by the custodian, using the audited financial statements of the common collective trust fund at year end.

Common stock is valued at the closing price reported on the active market on which the individual security is traded.

Temporary cash investments are valued at the carrying value which is a reasonable estimate of fair value for these short-term investments.

The methods described above may produce a fair value calculation that may not be indicative of net realizable 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.

Susquehanna Bancshares, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2013 and 2012

Note 4 - Fair Value Measurements (continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value:

Fair Value Measurements at December 31, 2013				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Registered Investment Companies				
Domestic stock funds	\$ 84,585,667	\$ -	\$ -	\$ 84,585,667
Balanced funds	41,212,475	-	-	41,212,475
International stock funds	11,758,923	-	-	11,758,923
Fixed income funds	28,549,675	-	-	28,549,675
Money market fund	10,244,966	-	-	10,244,966
Total Registered Investment Companies	176,351,706	-	-	176,351,706
Common Collective Trust Fund				
Stable value fund	-	3,275,040	-	3,275,040
Common Stock	862,026	-	-	862,026
Temporary Cash Investments	55,310	-	-	55,310
	<u>\$ 177,269,042</u>	<u>\$ 3,275,040</u>	<u>\$ -</u>	<u>\$ 180,544,082</u>

Fair Value Measurements at December 31, 2012				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Registered Investment Companies				
Domestic stock funds	\$ 63,525,086	\$ -	\$ -	\$ 63,525,086
Balanced funds	33,571,935	-	-	33,571,935
International stock funds	8,821,578	-	-	8,821,578
Fixed income funds	25,751,135	-	-	25,751,135
Money market fund	9,651,945	-	-	9,651,945
Total Registered Investment Companies	141,321,679	-	-	141,321,679

Susquehanna Bancshares, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2013 and 2012

Note 4 - Fair Value Measurements (continued)

Fair Value Measurements at December 31, 2012				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Common Collective Trust Fund				
Stable fund	-	1,813,890	-	1,813,890
Common Stock	1,112,012	-	-	1,112,012
Temporary Cash Investments	172,665	-	-	172,665
	<u>\$ 142,606,356</u>	<u>\$ 1,813,890</u>	<u>\$ -</u>	<u>\$ 144,420,246</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 years ended December 31, 2013 and 2012, there were no significant transfers in or out of Level 3.

Fair Value of Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent)

The following table summarizes investments measured at fair value based on net asset value (NAV) per unit:

	Fair Value		Unfunded Commitment	Redemption Frequency	Redemption Notice Period
	December 31, 2013	December 31, 2012			
Common Collective Trust Fund					
Diversified Stable Pooled Fund (a)	<u>\$ 3,275,040</u>	<u>\$ 1,813,890</u>	<u>\$ -</u>	Daily	None

- (a) This class is a stable fund that invests in an individual collective trust, the Wells Fargo Stable Return Fund G (Wells Fargo). The Wells Fargo fund invests primarily in investment contracts including traditional guaranteed investment contracts and security-backed contracts issued by insurance companies and other financial institutions, backed by a portfolio of bonds. Investments in this class can be redeemed daily at the current net asset value (NAV) per unit. The NAV is calculated daily based on the quoted market price of the underlying fund, converted into a unit value of the collective trust. The fair value of investment in this class has been estimated using the net asset value per unit of the underlying fund as reported by the custodian.

Susquehanna Bancshares, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2013 and 2012

Note 5 - Tax Status

The Company adopted a nonstandardized prototype plan sponsored by Transamerica Retirement Solutions Corporation. The prototype plan has received an opinion letter from the Internal Revenue Service dated March 31, 2008 stating that the prototype plan is qualified under the appropriate section of the Internal Revenue Code (IRC). The prototype plan opinion letter has been relied upon by this Plan. The Plan has been amended since receiving the opinion letter. The plan administrator believes that the Plan is designed and is currently being operated in compliance with applicable requirements of the IRC.

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 2010.

Note 6 - 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 would become 100% vested in the Company contribution portion of their accounts.

Note 7 - 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 statement of net assets available for benefits.

Note 8 - Related Party Transactions and Party-in-Interest Transactions

Certain plan investments are shares of registered investment companies managed by Transamerica Partners Institutional Funds Group (Transamerica). Transamerica and Transamerica Retirement Solutions Corporation are commonly owned. Transamerica Retirement Solutions Corporation is an agent for State Street Bank and Trust Company, the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for recordkeeping services in conjunction with processing loans and plan service fees amounted to \$495,074 and \$193,934 for the years ended December 31, 2013 and 2012, respectively.

At December 31, 2013 and 2012, the Plan held in its investment portfolio 67,136 and 106,108 shares, respectively, of common stock of Susquehanna Bancshares, Inc. The fair value of this investment amounted to \$862,026 and \$1,112,012 at December 31, 2013 and 2012, respectively.

Susquehanna Bancshares, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2013 and 2012

Note 9 - Reclassification

Certain amounts in the 2012 financial statements have been reclassified to conform with the 2013 financial statement presentation. These reclassifications have no effect on previously reported net assets available for benefits.

Note 10 - Subsequent Events

Plan management has evaluated subsequent events through October 14, 2014. This date is the date the financial statements were available to be issued. No material events subsequent to December 31, 2013 were noted other than the plan amendments effective January 1, 2014 disclosed in Note 1.

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, 2013

(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
Registered Investment Companies				
	American Beacon Large Cap Value Fund	813,110 shs.	**	\$ 22,165,387
	American Century Mid Cap Value Fund	540,938 shs.	**	8,508,961
	American Funds EuroPacific Growth Fund	213,274 shs.	**	10,265,012
	BlackRock LifePath 2020 Fund	668,894 shs.	**	11,203,967
	BlackRock LifePath 2025 Fund	152,136 shs.	**	1,994,501
	BlackRock LifePath 2030 Fund	522,949 shs.	**	8,372,421
	BlackRock LifePath 2035 Fund	125,861 shs.	**	1,733,113
	BlackRock LifePath 2040 Fund	211,224 shs.	**	4,239,273
	BlackRock LifePath 2045 Fund	88,135 shs.	**	1,268,265
	BlackRock LifePath 2050 Fund	131,015 shs.	**	2,799,799
	BlackRock LifePath 2055 Fund	39,349 shs.	**	576,073
	BlackRock LifePath Retirement Fund	770,057 shs.	**	9,025,063
	Mainstay Large Cap Growth Fund	1,972,355 shs.	**	19,861,612
	Oppenheimer Developing Markets Fund	39,774 shs.	**	1,493,911
	PIMCO Low Duration Institutional Fund	294,239 shs.	**	3,039,489
	Royce Pennsylvania Mutual Fund	558,117 shs.	**	8,221,062
*	Transamerica Partners Institutional Money Market Fund	1,018,032 shs.	**	10,244,966
*	Transamerica Partners Institutional Stock Index Fund	1,561,672 shs.	**	19,302,263
	Vanguard Dividend Growth Fund	202,746 shs.	**	4,330,647
	Vanguard Intermediate Term U.S. Treasury Fund	973,234 shs.	**	10,822,360
	Wells Fargo Advantage Core Bond Fund	775,388 shs.	**	9,506,253
	Wells Fargo Advantage Discovery Fund	209,345 shs.	**	7,377,308
				<u>176,351,706</u>
Common Collective Trust Fund				
*	Diversified Stable Pooled Fund	198,089 units	**	<u>3,275,040</u>
Common Stock				
*	Susquehanna Bancshares, Inc.	67,136 shs.	**	<u>862,026</u>
Temporary Cash Investments				
*	State Street Cash Reserve Fund		14,367	14,367
*	State Street Institutional Liquid Reserves Fund	40,943 shs.	40,943	40,943
			55,310	<u>55,310</u>
*	Participant Loans	5.25%		<u>4,300,240</u>
Total Assets (Held at End of Year)				<u><u>\$ 184,844,322</u></u>

This schedule was derived from data certified by State Street Bank and Trust Company.

* 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: 12/31/2013

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

TRANSAMERICA RETIREMENT SOLUTIONS	13-3689044
NATIONAL FINANCIAL SERVICES	04-3523567

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 Transamerica Retirement Solutions	Revenue to National Financial Services
BLACKROCK	BLACKROCK LIFEPATH RETIRE I	1/1/2013	12/31/2013	48.780	1.220
BLACKROCK	BLACKROCK LIFEPATH 2020 INSTL	1/1/2013	12/31/2013	48.780	1.220
BLACKROCK	BLACKROCK LIFEPATH 2030 INSTL	1/1/2013	12/31/2013	48.780	1.220
BLACKROCK	BLACKROCK LIFEPATH 2040	1/1/2013	12/31/2013	48.780	1.220
AMERICAN FUNDS	AMERICAN FUNDS EUROPACIFIC R3	1/1/2013	12/31/2013	63.414	1.586
ROYCE	PENNSYLVANIA MUTUAL, INV	1/1/2013	12/31/2013	19.512	0.488
AMERICAN BEACON	AMERICAN BEACON LRGE CP VAL IN	1/1/2013	12/31/2013	39.024	0.976
PIMCO	PIMCO LOW DURATION, INST	1/1/2013	12/31/2013	2.927	0.073
WELLS FARGO	WFA CORE BOND FUND INST	1/1/2013	12/31/2013	4.878	0.122
BLACKROCK	BLACKROCK LIFEPATH 2050	1/1/2013	12/31/2013	48.780	1.220
OPPENHEIMER	OPPENHEIMER DEVELOPING MARKETS	1/1/2013	12/31/2013	24.390	0.610
WELLS FARGO	WELLS FARGO DISCOVERY FD INSTL	1/1/2013	12/31/2013	14.634	0.366
AMERICAN CENTURY	AMERICAN CENTURY MID CAP VALUE	1/1/2013	12/31/2013	34.146	0.854
MAINSTAY	MAINSTAY LARGE CAP GROWTH R2	1/1/2013	12/31/2013	48.780	1.220
BLACKROCK	BLACKROCK LIFEPATH 2025 INSTL	1/1/2013	12/31/2013	48.780	1.220
BLACKROCK	BLACKROCK LIFEPATH 2035 INSTL	1/1/2013	12/31/2013	48.780	1.220
BLACKROCK	BLACKROCK LIFEPATH 2045 INSTL	1/1/2013	12/31/2013	48.780	1.220
BLACKROCK	BLACKROCK LIFEPATH 2055 INSTL	1/1/2013	12/31/2013	48.780	1.220

Susquehanna Bancshares, Inc. 401(k) Plan
 EIN No.: 23-2201716, Plan No. 002
 Schedule H, Line 4i - Schedule of Assets
 Plan Year Ending: 12/31/2013

(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	\$ 187,217
		Cash Reserve Total	\$ 187,217
*	Diversified Investment Advisors	Stable Pooled Fund	\$ 3,275,040
		Collective Trust Total	\$ 3,275,040
	Transamerica Partners Funds Group	Transamerica Partners Instl Stock Index Fund	\$ 19,302,263
	Transamerica Partners Funds Group	Transamerica Partners Instl Money Market	\$ 10,244,966
	BlackRock	BlackRock LifePath Retirement Instl	\$ 9,025,063
	BlackRock	BlackRock LifePath 2020 Instl	\$ 11,203,967
	BlackRock	BlackRock LifePath 2030 Instl	\$ 8,372,421
	BlackRock	BlackRock LifePath 2040 Instl	\$ 4,239,273
	American Funds	American Funds EuroPacific Growth R3	\$ 10,265,012
	Royce	Royce Pennsylvania Mutual Inv	\$ 8,221,062
	American Beacon	American Beacon Large Cap Value Inv	\$ 22,165,387
	PIMCO	PIMCO Low Duration Inst	\$ 3,039,489
	Wells Fargo	Wells Fargo Advantage Core Bond I	\$ 9,506,253
	BlackRock	BlackRock LifePath 2050 Instl	\$ 2,799,799
	Oppenheimer	Oppenheimer Developing Markets Y	\$ 1,493,911
	Wells Fargo	Wells Fargo Advantage Discovery Instl	\$ 7,377,308
	American Century	American Century Mid Cap Value Inv	\$ 8,508,961
	Mainstay	Mainstay Large Cap Growth R2	\$ 19,861,612
	BlackRock	BlackRock LifePath 2025 Instl	\$ 1,994,501
	BlackRock	BlackRock LifePath 2035 Instl	\$ 1,733,113
	BlackRock	BlackRock LifePath 2045 Instl	\$ 1,268,265
	BlackRock	BlackRock LifePath 2055 Instl	\$ 576,073
	Vanguard	Vanguard Intermed Term US Treasury Adm	\$ 10,822,361
	Vanguard	Vanguard Dividend Growth	\$ 4,330,647
		Mutual Fund Total	\$ 176,351,706
*	Susquehanna Bancshares, Inc.	SBI Employer Stock	\$ 902,969
*	Participants	Notes Receivable with interest rates of 5.25%	\$ 4,300,240
		TOTAL PLAN ASSETS	\$ 185,017,172

* Indicates Party-In-Interest to the Plan