

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 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2014</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); 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	SUSQUEHANNA BANCSHARES, INC. CASH BALANCE PENSION PLAN		1b Three-digit plan number (PN) ▶
			001
			1c Effective date of plan 01/01/1989
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)	SUSQUEHANNA BANCSHARES, INC.		2b Employer Identification Number (EIN) 23-2201716
			2c Plan Sponsor's telephone number 717-626-4721
			2d Business code (see instructions) 522110

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.	10/14/2015	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		3b Administrator's EIN	
		3c Administrator's telephone number	
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:		4b EIN	
a Sponsor's name		4c PN	
5 Total number of participants at the beginning of the plan year		5	3924
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year		6a(1)	1773
a(2) Total number of active participants at the end of the plan year		6a(2)	1555
b Retired or separated participants receiving benefits		6b	947
c Other retired or separated participants entitled to future benefits.....		6c	899
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	3401
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	76
f Total. Add lines 6d and 6e		6f	3477
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h	0
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: 1C			
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)		9b Plan benefit arrangement (check all that apply)	
(1)	☐	(1)	Insurance
(2)	☐	(2)	Code section 412(e)(3) insurance contracts
(3)	☒	(3)	Trust
(4)	☐	(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		b General Schedules	
(1)	☒	(1)	☒
R (Retirement Plan Information)		H (Financial Information)	
(2)	☐	(2)	☐
MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary		I (Financial Information – Small Plan)	
(3)	☒	(3)	☐
SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		A (Insurance Information)	
		(4)	☒
		C (Service Provider Information)	
		(5)	☒
		D (DFE/Participating Plan Information)	
		(6)	☐
		G (Financial Transaction Schedules)	

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2014</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014	
Round off amounts to nearest dollar.	
Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.	
A Name of plan SUSQUEHANNA BANCSHARES, INC. CASH BALANCE PENSION PLAN	B Three-digit plan number (PN) 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF SUSQUEHANNA BANCSHARES, INC.	D Employer Identification Number (EIN) 23-2201716
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information			
1	Enter the valuation date: Month 01 Day 01 Year 2014			
2	Assets:			
a	Market value	2a	146427282	
b	Actuarial value	2b	146427282	
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a	For retired participants and beneficiaries receiving payment	948	48692156	48692156
b	For terminated vested participants	1203	26704031	26704031
c	For active participants	1773	52338728	53179596
d	Total	3924	127734915	128575783
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)			
a	Funding target disregarding prescribed at-risk assumptions	4a		
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5	Effective interest rate	5	6.56%	
6	Target normal cost	6	0	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		09/28/2015
	Signature of actuary	Date
JOSEPH C. SNELL	Type or print name of actuary	14-05878
		Most recent enrollment number
AON CONSULTING, INC.	Firm name	610-834-2100
		Telephone number (including area code)
555 EAST LANCASTER AVE, SUITE 300 RADNOR, PA 19087-5159	Address of the firm	

Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	6747294	13490262
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	304607	0
9 Amount remaining (line 7 minus line 8)	6442687	13490262
10 Interest on line 9 using prior year's actual return of 3.47%	223561	468112
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.40%		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	6666248	13958374

Part III Funding Percentages		
14 Funding target attainment percentage	14	97.84 %
15 Adjusted funding target attainment percentage	15	113.88 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	108.31 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
12/22/2014	22900000				
Totals ►			18(b)	22900000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	21527682
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No	
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No	
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 0
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	0	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			0
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	21527682	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	21527682	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

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
		2014
		This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>SUSQUEHANNA BANCSHARES, INC. CASH BALANCE PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>001</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	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

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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 50 59 62 63 64	RECORDKEEPER	7943	Yes ☒ No ☐	Yes ☒ No ☐	0	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 ☐

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
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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:

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> 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		
A Name of plan <u>SUSQUEHANNA BANCSHARES, INC. CASH BALANCE PENSION PLAN</u>		B Three-digit plan number (PN) ► <u>001</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	25971	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)	370475	309878
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	375762	523651
(2) U.S. Government securities	1c(2)	6321	3750
(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)	5227960	5444624
(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)		
(9) Value of interest in common/collective trusts	1c(9)	2559300	1200749
(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)	137737151	166568759
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)	124342	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(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	146427282	174051411

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	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	146427282	174051411
---	-----------	-----------	-----------

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)	22900000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		22900000

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	289	
(B) U.S. Government securities	2b(1)(B)	6376	
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		6665

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	144130	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	4611542	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		4755672

(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)		0

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	63665	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		63665

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		2519
(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)		9064292
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		36792813

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	9160127	
(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)		9160127
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
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)	7943	
(4) Other.....	2i(4)	614	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		8557
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		9168684

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		27624129
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 LESHAR LLP

(2) EIN: 23-2108173

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

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

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 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.)			
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.			

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 2014 This Form is Open to Public Inspection.
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>SUSQUEHANNA BANCSHARES, INC. CASH BALANCE PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</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
---------------	----------------------

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>435</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)
----------------	--

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
-----------------	-------------------

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
--	-----------------------------------	-----------------------------------	-------------------------------	--

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: 35% Investment-Grade Debt: 64% High-Yield Debt: 0% Real Estate: 0% Other: 1%

- 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.
Cash Balance Pension Plan**

**Financial Statements and
Supplemental Schedules**

December 31, 2014 and 2013

Susquehanna Bancshares, Inc. Cash Balance Pension Plan

Table of Contents

December 31, 2014 and 2013

	Page
INDEPENDENT AUDITOR'S REPORT	1 and 2
FINANCIAL STATEMENTS	
Statement of Net Assets Available for Benefits	3
Statement of Changes in Net Assets Available for Benefits	4
Statement of Accumulated Plan Benefits	5
Statement of Changes in Accumulated Plan Benefits	6
Notes to Financial Statements	7 to 19
SUPPLEMENTAL SCHEDULES	
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)	20 and 21
Schedule H, Line 4j - Schedule of Reportable Transactions	22



Independent Auditor's Report

To the Benefits Committee and Participants
Susquehanna Bancshares, Inc.
Cash Balance Pension Plan
Lititz, Pennsylvania

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Susquehanna Bancshares, Inc. Cash Balance Pension Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2014, and the related statement of changes in net assets available for benefits for the year then ended, and the statement of accumulated plan benefits as of December 31, 2013, and the related statement of changes in accumulated plan benefits for the year 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 2014 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 on the 2014 financial statements.

Basis for Disclaimer of Opinion on the 2014 Financial Statements

As permitted by 29 CFR 2520.103-8 of the Department of Labor's 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 Susquehanna Trust & Investment Company and State Street Bank and Trust Company, the trustees of the Plan, except for comparing this information with the related information included in the 2014 financial statements. We have been informed by the plan administrator that the trustees hold the Plan's assets and executes transactions. The plan administrator has obtained certifications from the trustees as of and for the year ended December 31, 2014, that the information provided to the plan administrator by the trustees is complete and accurate.

Disclaimer of Opinion on the 2014 Financial Statements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the 2014 Financial Statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the 2014 financial statements. Accordingly, we do not express an opinion on the 2014 financial statements.

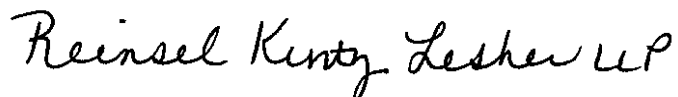
Other Matters - Report on Supplementary Information and Report on 2013 Financial Statements

The supplemental schedules of Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2014 and Schedule H, Line 4j - Schedule of Reportable Transactions for the year ended December 31, 2014, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purposes of additional analysis and are not a required part of the financial statements. These supplemental schedules are the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the 2014 Financial Statements paragraph, we do not express an opinion on the supplemental schedules.

We have audited the accompanying financial statement of Susquehanna Bancshares, Inc. Cash Balance Pension Plan, which comprise the statement of the net assets available for benefits as of December 31, 2013, and the related statement of changes in net assets available for benefits for the year then ended, and in our report dated October 29, 2014, we expressed our opinion that such financial statement presents fairly, in all material respects, net assets available for benefits of the Plan as of December 31, 2013, and the changes in net assets available for benefits for the year ended December 31, 2013, in accordance with accounting principles generally accepted in the United States of America.

Report on Form and Content in Compliance with DOL Rules and Regulations for 2014 Financial Statements

The form and content of the information included in the 2014 financial statements and supplemental schedules, other than that derived from the information certified or provided by the trustees, 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 Kerty Leshen LLP". The signature is written in a cursive, flowing style. To the right of the signature is a vertical yellow line.

October 9, 2015
Lancaster, Pennsylvania

Susquehanna Bancshares, Inc. Cash Balance Pension Plan

Statement of Net Assets Available for Benefits

	December 31,	
	2014	2013
Assets		
Investments, at Fair Value		
Money market fund	\$ 523,651	\$ 375,762
Registered investment companies	166,568,759	137,737,151
Common stocks	5,444,624	5,227,960
Common collective trust funds	1,200,749	2,559,300
Municipal bonds	-	124,342
U.S. Government agencies	3,750	6,321
	173,741,533	146,030,836
Accrued Interest and Dividend Income	309,878	370,475
Cash - Noninterest Bearing	-	25,971
Net Assets Available for Benefits	\$ 174,051,411	\$ 146,427,282

Susquehanna Bancshares, Inc. Cash Balance Pension Plan

Statement of Changes in Net Assets Available for Benefits

	Years Ended December 31, 2014	2013
Additions		
Investment income:		
Net appreciation (depreciation) in fair value of investments	\$ 9,130,476	\$ (1,192,483)
Interest and dividends	4,762,337	6,195,756
	13,892,813	5,003,273
Contributions:		
Employer	22,900,000	-
Total Additions	36,792,813	5,003,273
Deductions		
Benefits paid to participants	9,160,127	4,935,169
Administrative expenses	8,557	39,509
Total Deductions	9,168,684	4,974,678
Net Increase	27,624,129	28,595
Net Assets Available for Benefits at Beginning of Year	146,427,282	146,398,687
Net Assets Available for Benefits at End of Year	\$ 174,051,411	\$ 146,427,282

Susquehanna Bancshares, Inc. Cash Balance Pension Plan

Statement of Accumulated Plan Benefits

December 31, 2013

Actuarial Present Value of Accumulated Plan Benefits

Vested benefits:

Retired participants	\$ 50,984,784
Active and terminated participants	<u>86,756,054</u>

137,740,838

Nonvested benefits	<u>501,922</u>
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Total Actuarial Present Value of Accumulated Plan Benefits	<u><u>\$ 138,242,760</u></u>
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Susquehanna Bancshares, Inc. Cash Balance Pension Plan

Statement of Changes in Accumulated Plan Benefits

Year Ended December 31, 2013

Actuarial Present Value of Accumulated Plan Benefits at Beginning of Year	<u>\$ 121,070,062</u>
Increase (Decrease) During the Year Attributable to	
Increase for interest due to the decrease in the discount period	7,711,238
Change in actuarial assumptions	9,137,594
Benefits accumulated	5,273,043
Benefits paid	<u>(4,949,177)</u>
Net Increase	<u>17,172,698</u>
Actuarial Present Value of Accumulated Plan Benefits at End of Year	<u><u>\$ 138,242,760</u></u>

Susquehanna Bancshares, Inc. Cash Balance Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

Note 1 - Description of Plan

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

General

The Plan is a noncontributory defined benefit plan covering substantially all full-time employees of Susquehanna Bancshares, Inc. and its Affiliates (the Company) who have attained age twenty-one and were hired before January 1, 2009. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective June 30, 2009, certain plan benefits under the Plan were frozen for employees hired before January 1, 2009, who were not age 50, or who had not earned at least 15 years of vesting service as of December 31, 2009. These employees will retain the benefits they have earned through June 30, 2009, but will no longer accrue future pay-based credits to their accounts within the Plan. These employees will continue to receive interest each year at a guaranteed minimum rate of 5%. All other employees hired before January 1, 2009, will continue to participate and accrue benefits under the Plan.

Effective December 31, 2013, all benefit accruals under the Plan were frozen, to the extent that benefit accruals were not previously frozen (the freeze). Affected participants will retain the benefits they have earned through December 31, 2013, but will no longer accrue future pay-based credits to their accounts within the Plan. Participants will continue to receive interest credits each year at a guaranteed minimum rate of 5% per year. After December 31, 2013, for any participant that did not have a vested benefit in the Plan, the participant's eligible service will continue to be credited for purposes of determining vesting under the Plan. In connection with the freeze, the Plan will provide the option for lump sum distributions from the Plan in 2014 and 2015 to terminated vested participants in the Plan with plan benefits that meet a certain dollar limit.

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

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. are not eligible to participate in this Plan.

Susquehanna Bancshares, Inc. Cash Balance Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

Note 1 - Description of Plan (continued)

Funding Policy

The Company's policy is to contribute funds to the Plan in such amounts as are required on an actuarial basis to provide the Plan with assets sufficient to meet the benefits to be paid to plan participants. To the extent that these requirements are fully covered by assets in the Plan, the Company may elect not to make a contribution in a particular year. The Company's contributions for the years ended December 31, 2014 and 2013 met, or exceeded, the minimum funding requirements of ERISA.

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.

Participant Accounts

Under the Plan, an account balance is maintained for each participant to track their appreciation of benefits under the Plan. For participants whose benefits are not frozen, each participant's account is credited with an allocation of (a) an annual contribution based on earnings and (b) an interest credit. For participants that had certain benefits frozen as of June 30, 2009, each participant's account is credited with an annual allocation of interest.

Through December 31, 2013, an annual contribution, equal to a percentage of pensionable earnings, is credited to the account of each eligible participant who worked at least 1,000 hours of service during the plan year. The annual contribution percentage is based upon each participant's age plus years of service as of the beginning of each plan year. The annual contribution percentage ranges from 3% for participants with a total of age plus service of less than 30 years to 11% for participants with a total of age plus service of 100 years or more. In addition, the account balance as of the end of the preceding year is credited with interest based on the one-year U.S. Treasury bill, as defined in the Plan, but not less than 5% and not more than 8%. The rate of interest used to credit participant accounts was 5% for the year ended December 31, 2013.

Pension Benefits and Vesting

A participant is 100% vested after three years of credited service, based on the following vesting schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
Less than 3	0%
3	100%

Susquehanna Bancshares, Inc. Cash Balance Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

Note 1 - Description of Plan (continued)

Pension Benefits and Vesting (continued)

Participants are also eligible to receive their full accrued benefits upon reaching their normal retirement age (65). The benefit is the balance in the participant's cash balance account converted to an annuity of equivalent value as of the benefit commencement date. Participants who were age 55 or greater with ten or more years of service as of December 31, 1997, will receive the greater of the benefit payable under the prior plan provisions or the benefit payable based on the participant's cash balance account. The benefit payable under the prior plan provisions is equal to one and one-half percent (1-1/2%) of the final average compensation up to the social security covered compensation amount plus two percent (2%) of the final average compensation in excess of the social security covered compensation amount times the number of years of credited service up to a maximum of 25 years. Individuals who were participants under a merged plan prior to December 31, 1997, had the accrued benefit from prior bank pension plans included in the participants' opening cash balance account balance as of January 1, 1998. Early retirement is allowed upon the attainment of age 55 and at least 15 years of service. Benefits are generally available in the form of a qualified joint and survivor annuity for employees married on the date retirement benefits commence, and a single life annuity for other employees.

If the lump sum value of a vested terminated participant on or before January 1, 2014 is less than \$20,000 and the participant is not entitled to benefits prior to August 1, 2014, they may elect to have their benefits commence on November 1, 2014 by filing such election between August 1, 2014 and September 15, 2014.

Notwithstanding any other provision of this Plan, for any participant whose benefit in the prior Susquehanna Bancshares, Inc. Retirement Income Plan that was converted to an opening account balance on the transition date, the participant's accrued benefit shall never be less than the plan benefit from the Susquehanna Bancshares, Inc. Retirement Income Plan (as of the transition date).

Death and Disability Benefits

The Plan provides for a disability pension if a participant becomes disabled at a time when he or she has at least three years of continuous service and is eligible for Social Security Disability Benefits. Credits will be made to his or her account during the period of disability at the same rate of compensation he or she was receiving prior to becoming disabled if eligible for credits under the partial plan freeze. The amount of disability pension, payable to the participant, is based on his or her accrued benefit at normal or, if eligible, early retirement.

The Plan also provides benefits to spouses of participants who die before retirement, but after completing three years of continuous service. The Plan entitles the surviving spouse to the full benefit which would have been payable to the spouse if the participant had retired on the day preceding his death and elected a joint and 50% survivor option.

The pre-retirement death benefit provision provides for a single sum death benefit payable to the designated beneficiary of a participant not married as of his or her date of death. The single sum benefit is payable in incremental amounts based on the number of years of vesting service as defined.

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, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements, and changes therein. Actual results could differ from those estimates. The Plan uses an actuary to determine the actuarial present value of accumulated plan benefits. A change in the actuarial assumptions used could significantly change the amount of the actuarial present value of accumulated plan benefits reported in the accompanying financial statements.

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 5 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 (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future benefit payments that are attributable under the Plan's provisions to the service that employees have rendered. Accumulated plan benefits include benefits expected to be paid to (1) active employees or their beneficiaries, (2) beneficiaries of employees who have died, and (3) retired or terminated employees or their beneficiaries. The accumulated plan benefits under the current plan provisions are based on the participant's cash balance account converted to an annuity of equivalent value. For those employees grandfathered under the previous plan provisions, the accumulated plan benefits are the greater of benefits based on years of service and the employee's five highest paid consecutive years of employment during the last ten years of employment (final average compensation) or benefits calculated under the current cash balance plan provisions. Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an independent actuary, and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawals, or retirement) between the valuation date and the expected payment dates.

Susquehanna Bancshares, Inc. Cash Balance Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

Note 2 - Summary of Significant Accounting Policies (continued)

Actuarial Present Value of Accumulated Plan Benefits (continued)

The significant actuarial assumptions used in the valuations as of January 1, 2014 and 2013 are as follows:

- | | |
|-------------------------------|---|
| Asset valuation | - Plan assets are valued at market value |
| Investment return | - 6.5%, compounded annually |
| Mortality | - RP-2014 mortality table for employees and healthy annuitants (with a fully generational projection using scale MP-2014) as of January 1, 2014 and RP-2000 IRS PPA Projected to 2013 Annuitant and Non-Annuitant Male and Female Table as of January 1, 2013 |
| Retirement age | - Normal retirement age: Retirement rates beginning at age 55 and ending at age 70 (100% retirement) for active participants and at age 65 for terminated vested participants |
| Salary scale | - 3.0% |
| Cash balance interest credits | - 5.0% compounded annually |

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The actuarial present value of accumulated plan benefits as of January 1, 2014 includes the effect of the Plan freeze effective June 30, 2009 and December 31, 2013.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

The Plan's expenses are paid either by the Plan or the Company, as provided by the plan document. Expenses that are paid directly by the Company are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statement of changes in net assets available for benefits. In addition, certain investment related expenses are included in net appreciation (depreciation) in fair value of investments presented in the accompanying statement of changes in net assets available for benefits.

Susquehanna Bancshares, Inc. Cash Balance Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

Note 2 - Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncement

In May 2015, the FASB issued ASU 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. The amendments in ASU 2015-07 remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. Rather, those disclosures are limited to investments for which the entity has elected to measure the fair value using that practical expedient. ASU 2015-07 is effective for annual periods beginning after December 15, 2016, and interim periods within those fiscal years, with early adoption permitted. The adoption of ASU 2015-07 is not expected to have a material effect on the Plan's financial statements or disclosures.

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

The following is a summary of the Plan's asset information as of and for the year ended December 31, 2014, included throughout the Plan's financial statements and supplemental schedules that was prepared by or derived from information provided by the trustees and furnished to the plan administrator. The plan administrator has obtained certifications from the trustees that information provided to the plan administrator by the trustees related to the following assets as of December 31, 2014 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 schedules related to the following assets as of and for the year ended December 31, 2014. Investments that represent 5% or more of the Plan's net assets at December 31, 2014 are separately identified.

	<u>2014</u>
Investments, at Fair Value	
Money market fund	<u>\$ 523,651</u>
Registered investment companies:	
Vanguard Long-Term Investment Grade Fund	67,533,245
Vanguard Intermediate-Term Investment Grade Fund	34,430,517
Vanguard 500 Index Fund	10,210,731
Vanguard Dividend Growth Fund	10,088,749
Other	<u>44,305,517</u>
	166,568,759
Common stocks	5,444,624
Common collective trust funds	1,200,749
U.S. Government agencies	<u>3,750</u>
	<u>\$ 173,741,533</u>
Accrued Interest and Dividend Income	<u>\$ 309,878</u>

Susquehanna Bancshares, Inc. Cash Balance Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

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

Susquehanna Trust & Investment Company and State Street Bank and Trust Company also certified to the completeness and accuracy of \$9,130,476 of net appreciation in fair value of investments, and \$4,762,337 of interest and dividend income related to the aforementioned assets for the year ended December 31, 2014.

Note 4 - Investments

Investments that represent 5% or more of the Plan's net assets at December 31, 2013 are separately identified.

	<u>2013</u>
Investments, at Fair Value	
Money market fund	\$ 375,762
Registered investment companies:	
Vanguard Long-Term Investment Grade Fund	49,462,845
Vanguard Intermediate-Term Investment Grade Fund	21,389,403
Vanguard 500 Index Fund	10,860,801
Vanguard Dividend Growth Fund	10,881,130
Other	45,142,972
	<u>137,737,151</u>
Common stocks	5,227,960
Common collective trust funds	2,559,300
Municipal bonds	124,342
U.S. Government agencies	6,321
	<u>\$ 146,030,836</u>

The Plan's investments (including investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows for the years ended December 31:

	<u>2014</u>	<u>2013</u>
Registered investment companies	\$ 9,064,292	\$ (9,383,747)
Common stocks	67,996	8,204,596
Common collective trust funds	2,519	(391)
Municipal bonds	(4,342)	(5,942)
U.S. Government agencies	11	(5,051)
Corporate bonds	-	(1,948)
	<u>\$ 9,130,476</u>	<u>\$ (1,192,483)</u>

Note 5 - 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.

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 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, 2014 and 2013.

Money market fund is valued at the quoted net asset value of shares held by the Plan at year end.

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

Common stocks are valued at the closing price reported on the active market on which the individual securities are traded.

The Plan's interests in common collective trust funds are based on the fair value of the common collective trust funds' underlying investments as based on information reported by the investment advisor using the audited financial statements of the common collective trust funds at year end.

Susquehanna Bancshares, Inc. Cash Balance Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

Note 5 - Fair Value Measurements (continued)

Municipal bonds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

U.S. Government agencies are valued using pricing models maximizing the use of observable inputs for similar securities.

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.

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, 2014				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money Market Fund	\$ 523,651	\$ -	\$ -	\$ 523,651
Registered Investment Companies				
Fixed income funds	127,746,586	-	-	127,746,586
Domestic stock funds	32,126,597	-	-	32,126,597
International stock fund	3,401,714	-	-	3,401,714
Commodities broad basket fund	3,293,862	-	-	3,293,862
Total Registered Investment Companies	166,568,759	-	-	166,568,759
Common Stocks				
Consumer nondurables	1,731,227	-	-	1,731,227
Financial	1,553,257	-	-	1,553,257
Utilities	1,021,719	-	-	1,021,719
Capital goods	293,098	-	-	293,098
Consumer durables	266,222	-	-	266,222
Energy	179,450	-	-	179,450
Other	399,651	-	-	399,651
Total Common Stocks	5,444,624	-	-	5,444,624
Common Collective Trust Funds				
Money market fund	-	1,158,622	-	1,158,622
Other	-	42,127	-	42,127
Total Common Collective Trust Funds	-	1,200,749	-	1,200,749
U.S. Government Agencies	-	3,750	-	3,750
	\$ 172,537,034	\$ 1,204,499	\$ -	\$ 173,741,533

Susquehanna Bancshares, Inc. Cash Balance Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

Note 5 - Fair Value Measurements (continued)

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
Money Market Fund	\$ 375,762	\$ -	\$ -	\$ 375,762
Registered Investment Companies				
Fixed income funds	92,528,343	-	-	92,528,343
Domestic stock funds	38,009,696	-	-	38,009,696
International stock fund	4,327,610	-	-	4,327,610
Commodities broad basket fund	2,871,502	-	-	2,871,502
Total Registered Investment Companies	137,737,151	-	-	137,737,151
Common Stocks				
Consumer nondurables	1,835,343	-	-	1,835,343
Financial	1,214,176	-	-	1,214,176
Utilities	778,773	-	-	778,773
Capital goods	327,771	-	-	327,771
Consumer durables	412,922	-	-	412,922
Energy	416,062	-	-	416,062
Other	242,913	-	-	242,913
Total Common Stocks	5,227,960	-	-	5,227,960
Common Collective Trust Funds				
Money market fund	-	2,519,480	-	2,519,480
Other	-	39,820	-	39,820
Total Common Collective Trust Funds	-	2,559,300	-	2,559,300
Municipal Bond	-	124,342	-	124,342
U.S. Government Agencies	-	6,321	-	6,321
	\$ 143,340,873	\$ 2,689,963	\$ -	\$ 146,030,836

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, 2014 and 2013, there were no transfers in or out of Level 3.

Susquehanna Bancshares, Inc. Cash Balance Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

Note 5 - Fair Value Measurements (continued)

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, 2014	December 31, 2013			
Common Collective Trust Funds					
Other (a)	\$ 42,127	\$ 39,820	\$ -	Daily	None
Money market fund (b)	1,158,622	2,519,480	-	Daily	None

(a) This class is a bond fund whose objective is to achieve maximum total return. The fund invests primarily in U.S. Government agency obligations, corporate debt securities, and mortgage-backed securities.

(b) This class is a money market fund whose objective is to provide liquidity and as high a level of income as is consistent with the preservation of capital. The fund invests primarily in certificates of deposit, commercial paper, repurchase agreements, demand notes, short-term U.S. Government obligations, U.S. Government agency obligations, and corporate debt securities.

Note 6 - Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated July 6, 2012, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. The plan administrator believes that the Plan is designed and is currently being operated in compliance with applicable requirements of the IRC. The Plan is exempt from federal and state income taxes under current regulations.

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 2011.

Susquehanna Bancshares, Inc. Cash Balance Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

Note 7 - Plan Termination

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- a. Annuity benefits that former employees, or their beneficiaries, have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination.
- b. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) (a U.S. Government agency) up to the applicable limitations.
- c. All other vested benefits (that is, vested benefits not insured by the PBGC).
- d. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations, and may also depend on the financial condition of the plan sponsor and the level of benefits guaranteed by the PBGC.

Note 8 - 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 the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Susquehanna Bancshares, Inc. Cash Balance Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

Note 9 - Related Party Transactions and Party-in-Interest Transactions

Certain plan investments are units of common collective trust funds managed by Transamerica Retirement Solutions Corporation (Transamerica). Transamerica is an agent for State Street Bank and Trust Company, the trustee as defined by the Plan. These transactions qualify as party-in-interest transactions. Fees paid by the Plan for investment management and administrative services to Transamerica amounted to \$7,943 and \$7,568 for the years ended December 31, 2014 and 2013, respectively.

Note 10 - Voluntary Correction Program

The Company entered into the Voluntary Correction Program that was accepted on May 22, 2014 by the Internal Revenue Service. For the period January 1, 2007 to September 25, 2013, participants in the Plan were permitted to terminate employment, commence annuity distributions, and then arrange to be rehired. Because it was understood at the time this occurred that the terminating employees were going to be rehired, this had the effect of creating, de facto, an in-service distribution contrary to the terms of the Plan. All employees who were affected by this failure had attained age 62 or greater at the time the distribution commenced. A retroactive amendment was adopted as of January 1, 2007 to permit in-service distributions to Plan participants who have attained at least age 62 and continue to be employed by the Company.

Note 11 - Subsequent Events

The Plan will be merging into the BB&T Corporation Pension Plan on December 31, 2015.

Plan management has evaluated subsequent events through October 9, 2015. This date is the date the financial statements were available to be issued. Except for the above, no material events subsequent to December 31, 2014 were noted.

Susquehanna Bancshares, Inc. Cash Balance Pension Plan

EIN: 23-2201716, Plan Number 001

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

December 31, 2014

(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
Money Market Fund				
	Federated Government Obligations			
	Money Market Fund	523,651 shares	\$ 523,651	\$ 523,651
Registered Investment Companies				
	Vanguard Long-Term Investment			
	Grade Fund	6,282,162 shares	58,969,142	67,533,245
	Vanguard Intermediate-Term Investment			
	Grade Fund	3,502,596 shares	34,158,977	34,430,517
	Vanguard 500 Index Fund	53,772 shares	9,103,250	10,210,731
	Vanguard Dividend Growth Fund	436,932 shares	9,251,241	10,088,749
	Osterweis Strategic Income Fund	759,306 shares	8,909,202	8,648,499
	Lord Abbett Short Duration Income Fund	1,932,768 shares	8,764,610	8,600,816
	PIMCO Income Fund	692,093 shares	8,512,707	8,533,509
	Calamos Market Neutral Income Fund	404,086 shares	5,164,328	5,180,384
	Vanguard Mid Cap Index Fund	101,515 shares	3,014,926	3,430,207
	MFS International Diversification Fund	216,532 shares	3,572,742	3,401,714
	PIMCO Commodity Real Return			
	Strategy Fund	735,237 shares	4,597,580	3,293,862
	Wasatch Long/Short Institutional Fund	215,729 shares	3,554,871	3,216,526
			157,573,576	166,568,759
Common Stocks				
	United Rentals, Inc.	1,545 shares	66,440	157,605
	RF Micro Devices, Inc.	9,110 shares	42,559	151,135
	West Pharmaceutical Services, Inc.	2,800 shares	85,958	149,072
	Belden, Inc.	1,885 shares	84,900	148,557
	Parexel International Corp.	2,630 shares	95,837	146,123
	Jarden Corp.	2,943 shares	70,521	140,911
	EnerSys	2,275 shares	95,542	140,413
	PolyOne Corp.	3,565 shares	70,621	135,149
	Signature Bank	1,050 shares	74,661	132,258
	Casey's General Stores, Inc.	1,400 shares	87,342	126,448
	SVB Financial Group	1,050 shares	71,509	121,873
	Moog, Inc.	1,575 shares	70,977	116,597
	PTC Inc.	3,155 shares	73,986	115,631
	Brinker International, Inc.	1,855 shares	63,411	108,870
	Anixter International, Inc.	1,225 shares	82,774	108,364
	Affiliated Managers Group	500 shares	68,715	106,120
	Silgan Holdings, Inc.	1,925 shares	85,472	103,180
	NetScout Systems, Inc.	2,570 shares	66,678	93,908
	Crane Co.	1,575 shares	73,402	92,453
	SL Green Realty Corp.	775 shares	63,282	92,240
	Generac Holdings, Inc.	1,940 shares	97,279	90,714
	Trinity Industries, Inc.	3,230 shares	76,753	90,472
	Glimcher Realty Trust	6,500 shares	70,795	89,310
	Mastec, Inc.	3,920 shares	86,957	88,631
	OshKosh Truck Corp.	1,750 shares	62,349	85,138
	Ryman Hospitality Properties Inc.	1,540 shares	70,704	81,220
	Cabela's, Inc.	1,503 shares	72,342	79,223
	Cardtronics, Inc.	2,030 shares	66,455	78,317
	CACI International, Inc.	900 shares	53,983	77,562

Susquehanna Bancshares, Inc. Cash Balance Pension Plan

EIN: 23-2201716, Plan Number 001

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

December 31, 2014

(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
Common Stocks (continued)				
	Highwoods Properties, Inc.	1,750 shares	58,721	77,490
	Webster Financial Corp.	2,355 shares	58,944	76,608
	Southwest Gas Corp.	1,225 shares	55,161	75,717
	JetBlue Airways Corp.	4,750 shares	62,753	75,335
	Medical Properties Trust, Inc.	5,430 shares	56,086	74,825
	Avista Corp.	2,100 shares	54,884	74,235
	United Bankshares, Inc.	1,975 shares	57,296	73,964
	Take-Two Interactive Software, Inc.	2,600 shares	64,031	72,878
	Community Bank System, Inc.	1,885 shares	57,598	71,875
	IberiaBank Corp.	1,105 shares	58,204	71,659
	Wintrust Financial Corp.	1,525 shares	57,917	71,309
	ON Semiconductor Corp.	7,005 shares	50,007	70,961
	Glacier Bancorp, Inc.	2,550 shares	56,299	70,814
	El Paso Electric Company	1,750 shares	57,829	70,105
	MB Financial, Inc.	2,125 shares	52,345	69,827
	Umpqua Holdings Corp.	3,855 shares	58,710	65,574
	First Midwest Bancorp, Inc.	3,775 shares	54,159	64,590
	Ann, Inc.	1,750 shares	51,246	63,840
	Solera Holdings, Inc.	1,225 shares	55,903	62,695
	Cooper Tire & Rubber Co.	1,800 shares	55,061	62,370
	American Campus Communities, Inc.	1,500 shares	59,312	62,040
	Actuant Corp.	2,275 shares	70,800	61,971
	Selective Insurance Group, Inc.	2,275 shares	44,725	61,812
	Iconix Brand Group Inc.	1,775 shares	74,597	59,977
	Portland General Electric Co.	1,575 shares	42,518	59,582
	Bloomin Brands, Inc.	2,400 shares	55,248	59,424
	Home Products, Inc.	875 shares	51,500	57,400
	Starz Series A	1,900 shares	55,179	56,430
	Carrizo Oil & Gas, Inc.	1,280 shares	34,218	53,248
	Worthington Industries, Inc.	1,765 shares	70,542	53,109
	Northwest Bancshares, Inc.	4,205 shares	51,902	52,689
	Cabot Oil & Gas Corp.	1,705 shares	48,131	50,485
	Dean Foods Co.	2,410 shares	48,776	46,706
	Compass Minerals International, Inc.	525 shares	38,691	45,586
			4,031,497	5,444,624
Common Collective Trust Funds				
*	Transamerica Core Bond Fund	1,324 units	29,925	42,127
*	Transamerica Money Market Fund	63,858 units	1,158,622	1,158,622
			1,188,547	1,200,749
U.S. Government Agencies				
	Federal National Mortgage Association	\$3,531 par, 6.00%, due 07/01/16	3,534	3,613
	GNMA Pool 146675X	\$137 par, 9.00%, due 07/15/16	134	137
			3,668	3,750
Total Assets (Held at End of Year)			\$ 163,320,939	\$ 173,741,533

This Schedule was derived from data certified by Susquehanna Trust & Investment Company and State Street Bank and Trust Company.

* Represents a party-in-interest.

Susquehanna Bancshares, Inc. Cash Balance Pension Plan

EIN: 23-2201716, Plan Number 001

Schedule H, Line 4j - Schedule of Reportable Transactions

Year Ended December 31, 2014

(a) Identity of Party Involved	(b) Description of Asset (Including Interest Rate and Maturity in Case of Loan)	Number of Transactions	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain or (Loss)
Single Transactions							
	Vanguard Long-Term Investment Grade Fund	1	\$ 14,250,000	\$ -	\$ 14,250,000	\$ 14,250,000	\$ -
	Vanguard Intermediate- Term Investment Grade Fund	1	\$ 12,500,000	\$ -	\$ 12,500,000	\$ 12,500,000	\$ -
Series of Transaction							
* Transamerica Retirement Solutions Corporation Transamerica Money Market Fund		23	\$ 7,840,310	\$ -	\$ 7,840,310	\$ 7,840,310	\$ -
	Transamerica Money Market Fund	73	\$ -	\$ 9,201,168	\$ 9,201,168	\$ 9,201,168	\$ -
	Federated Government Obligations Money Market Fund	173	\$ 28,333,706	\$ -	\$ 28,333,706	\$ 28,333,706	\$ -
	Federated Government Obligations Money Market Fund	30	\$ -	\$ 28,185,817	\$ 28,185,817	\$ 28,185,817	\$ -
	Vanguard Long-Term Investment Grade Fund	15	\$ 17,352,813	\$ -	\$ 17,352,813	\$ 17,352,813	\$ -
	Vanguard Long-Term Investment Grade Fund	6	\$ -	\$ 5,085,000	\$ 4,414,551	\$ 5,085,000	\$ 670,449
	Vanguard Intermediate- Term Investment Grade Fund	8	\$ 14,398,019	\$ -	\$ 14,398,019	\$ 14,398,019	\$ -
	Vanguard Intermediate- Term Investment Grade Fund	2	\$ -	\$ 1,760,000	\$ 1,739,042	\$ 1,760,000	\$ 20,958

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

* Represents a party-in-interest.

SCHEDULE SB (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>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>Susquehanna Bancshares, Inc. Cash Balance Pension Plan</u>	B Three-digit plan number (PN) <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>Susquehanna Bancshares, Inc.</u>	D Employer Identification Number (EIN) <u>23-2201716</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ Other	
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2014</u>			
2 Assets:			
a Market value	2a	146,427,282	
b Actuarial value	2b	146,427,282	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	948	48,692,156	48,692,156
b For terminated vested participants.....	1,203	26,704,031	26,704,031
c For active participants.....	1,773	52,338,728	53,179,596
d Total.....	3,924	127,734,915	128,575,783
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	6.56 %	
6 Target normal cost	6	0	

Statement by Enrolled Actuary
 To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>Joseph C. Snell</u> <i>JCS</i> Signature of actuary	<u>09/28/2015</u> Date
	<u>Joseph C. Snell</u> Type or print name of actuary	<u>14-05878</u> Most recent enrollment number
	<u>Aon Consulting, Inc.</u> Firm name	<u>(610) 834-2100</u> Telephone number (including area code)
	<u>555 East Lancaster Ave, Suite 300</u> <u>Radnor</u> PA <u>19087-5159</u> Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	6,747,294	13,490,262
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	304,607	0
9	Amount remaining (line 7 minus line 8)	6,442,687	13,490,262
10	Interest on line 9 using prior year's actual return of <u>3.47%</u>	223561	468112
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.4%</u>		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	6,666,248	13958374

Part III Funding Percentages	
14 Funding target attainment percentage	14 97.84 %
15 Adjusted funding target attainment percentage	15 113.88 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17 %

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
12/22/2014	22,900,000				
Totals ▶			18(b)	22,900,000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	21,527,682

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 0
22 Weighted average retirement age			22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....		☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....		☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....		☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....		31a	0
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment.....	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....		34	0
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			0
36 Additional cash requirement (line 34 minus line 35)		36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....		37	21,527,682
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	21,527,682
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected		☐ 2 plus 7 years ☐ 15 years	
b Eligible plan year(s) for which the election in line 41a was made		☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011	
42 Amount of acceleration adjustment		42	
43 Excess installment acceleration amount to be carried over to future plan years.....		43	

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Schedule SB, line 19—Discounted Employer Contributions

Date of Contribution	Amount	Year Applied	Effective Interest Rate	Interest Adjusted Contribution
12/22/2014	\$22,900,000	2014	6.56%	\$21,527,682

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Susquehanna Bancshares, Inc. Cash Balance Pension Plan
 EIN: 23-2201716 PN: 001

Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at beginning of year.

(a) Age	(b) Rate	(c) Weight	(d) Product (a)x(b)x(c)
55	2.00%	1.0000	1.10
56	2.00%	0.9800	1.10
57	5.00%	0.9604	2.74
58	5.00%	0.9124	2.65
59	5.00%	0.8668	2.56
60	10.00%	0.8234	4.94
61	10.00%	0.7411	4.52
62	15.00%	0.6670	6.20
63	15.00%	0.5669	5.36
64	25.00%	0.4819	7.71
65	35.00%	0.3614	8.22
66	30.00%	0.2349	4.65
67	30.00%	0.1644	3.31
68	30.00%	0.1151	2.35
69	30.00%	0.0806	1.67
70	100.00%	0.0564	3.95
Weighted Average:			63.01

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Susquehanna Bancshares, Inc. Cash Balance Pension Plan
 EIN: 23-2201716 PN: 001

Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates for Minimum Funding Purposes	Based on segment rates with no lookback (as of January 2014), each adjusted as needed to fall within the 25-year average interest rate corridor under MAP-21
1st Segment Rate	4.99%
2nd Segment Rate	6.32%
3rd Segment Rate	6.99%
Interest Rates for Maximum Tax Purposes	Based on segment rates with no lookback (as of January 2014), without regard to the MAP-21 interest rate corridor
1st Segment Rate	1.25%
2nd Segment Rate	4.06%
3rd Segment Rate	5.08%
Salary Increases	
Minimum Funding Target Normal Cost	3.00%
Maximum Tax Expected Benefit Increase	3.00%
Cash Balance Interest Crediting Rate	5.00%
Cash Balance Annuity Conversion Rate	7.00%
Social Security Wage Base Increases	Future wage indices are based on a national wage increase of 4.50% per year.
Retirement Age	
Active Participants	See Tables 1
Terminated Vested Participants	See Tables 2
Mortality Rates	
Healthy and Disabled	2014 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e)
Withdrawal Rates	See Table 3
Disability Rates	See Table 4
Decrement Timing	Beginning of year decrements

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Surviving Spouse Benefit	It is assumed that 80% of males and 80% of females have an eligible spouse, and that males are three years older than their spouses.
Valuation Compensation	2013 Pensionable earnings rolled forward one year with the salary increase assumption
Benefit and Compensation Limits	Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of \$210,000 and the IRC section 401(a)(17) compensation limit of \$260,000.
Valuation of Plan Assets	Fair market value
Trust Expenses Included in Target Normal Cost	None
Actuarial Method	Standard unit credit cost method
Valuation Date	January 1, 2014

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Table 1

Retirement Rates

<u>Age</u>	<u>Rate</u>
55	2.00%
56	2.00%
57	5.00%
58	5.00%
59	5.00%
60	10.00%
61	10.00%
62	15.00%
63	15.00%
64	25.00%
65	35.00%
66	30.00%
67	30.00%
68	30.00%
69	30.00%
70+	100.00%

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Table 2

Retirement Rates

<u>Age</u>	<u>Rate</u>
55	10.00%
56	5.00%
57	8.00%
58	8.00%
59	5.00%
60	20.00%
61	2.00%
62	40.00%
63	30.00%
64	25.00%
65	100.00%

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Susquehanna Bancshares, Inc. Cash Balance Pension Plan
 EIN: 23-2201716 PN: 001

Table 3—Page 1 of 2

Withdrawal Rates

Age	Years of Service			
	0-1	2-4	5-9	10+
18	39.64%	0.00%	0.00%	0.00%
19	20.23%	0.00%	0.00%	0.00%
20	17.99%	14.19%	0.00%	0.00%
21	22.38%	18.19%	0.00%	0.00%
22	24.07%	19.60%	15.00%	0.00%
23	23.85%	19.58%	15.09%	0.00%
24	22.70%	18.32%	14.25%	0.00%
25	21.74%	17.14%	12.96%	0.00%
26	20.95%	16.27%	11.29%	0.00%
27	20.41%	15.29%	9.97%	0.00%
28	19.42%	14.52%	9.15%	8.75%
29	18.73%	13.93%	8.69%	5.21%
30	18.61%	13.58%	8.39%	4.84%
31	18.83%	13.09%	8.02%	5.39%
32	18.32%	12.60%	7.76%	5.47%
33	17.39%	11.97%	7.56%	5.30%
34	16.94%	11.33%	7.37%	5.15%
35	16.78%	11.02%	7.15%	5.02%
36	16.69%	10.98%	6.85%	4.87%
37	16.29%	10.99%	6.68%	4.68%
38	16.00%	10.77%	6.44%	4.43%
39	15.36%	10.59%	6.27%	4.32%
40	15.91%	10.35%	6.01%	4.15%
41	15.94%	10.01%	5.89%	3.93%
42	16.05%	9.72%	5.84%	3.86%
43	15.98%	9.71%	5.75%	3.81%
44	15.88%	9.62%	5.77%	3.79%
45	15.48%	9.47%	5.82%	3.73%
46	15.61%	9.54%	5.81%	3.64%
47	15.30%	9.47%	5.61%	3.66%

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Susquehanna Bancshares, Inc. Cash Balance Pension Plan
 EIN: 23-2201716 PN: 001

Table 3—Page 2 of 2

Withdrawal Rates

Age	Years of Service			
	0-1	2-4	5-9	10+
48	15.15%	9.37%	5.52%	3.70%
49	15.53%	9.02%	5.60%	3.65%
50	15.60%	8.90%	5.32%	3.49%
51	15.35%	9.32%	5.13%	3.38%
52	14.35%	9.52%	4.99%	3.35%
53	14.34%	9.24%	4.70%	3.22%
54	14.17%	8.80%	4.12%	2.37%
55	13.52%	7.82%	2.59%	0.88%
56	12.84%	7.49%	1.84%	0.23%
57	12.66%	7.67%	1.54%	0.11%
58	12.74%	7.68%	1.58%	0.22%
59	13.50%	7.94%	1.92%	0.31%
60+	13.63%	7.84%	2.12%	0.20%

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Table 4
Disability Rates

Age	Rate	Age	Rate
15	0.00%	45	0.22%
16	0.00%	46	0.25%
17	0.00%	47	0.27%
18	0.00%	48	0.30%
19	0.00%	49	0.32%
20	0.09%	50	0.35%
21	0.09%	51	0.42%
22	0.09%	52	0.49%
23	0.10%	53	0.57%
24	0.10%	54	0.64%
25	0.10%	55	0.71%
26	0.10%	56	0.82%
27	0.10%	57	0.93%
28	0.11%	58	1.04%
29	0.11%	59	1.15%
30	0.11%	60	1.26%
31	0.11%	61	0.00%
32	0.12%	62	0.00%
33	0.12%	63	0.00%
34	0.13%	64	0.00%
35	0.13%	65	0.00%
36	0.14%	66	0.00%
37	0.14%	67	0.00%
38	0.15%	68	0.00%
39	0.15%	69	0.00%
40	0.16%	70	0.00%
41	0.17%	71	0.00%
42	0.18%	72	0.00%
43	0.20%	73	0.00%
44	0.21%	74	0.00%

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Schedule SB, Part V—Summary of Plan Provisions

The following summary describes principal plan provisions assumed in calculating the cost of your pension plan.

General Information

Original Effective Date	January 1, 1989
Effective Date of Last Amendment	December 31, 2013
Plan Year	January 1st to December 31st
Employer Fiscal Year	January 1st to December 31st
Employer ID Number	23-2201716
Plan Administrator's ID Number	23-2201716
Plan Number	001
Plan Administrator	Susquehanna Bancshares, Inc.

Eligibility

Employees who were participants on December 31, 1997 are participants effective January 1, 1998. All other employees become participants on the January 1 of the year in which the employee attains age 21 and completes one year of service. Effective January 1, 2005, employees will become participants on the January 1 following employment.

Participants in the plan prior to January 1, 1998 are eligible for a minimum accrued benefit determined as of December 31, 1997. Participants who attained age 55 and 10 years of credited service receive continuing credited service and compensation under the terms of the Retirement Income Plan. Participants in prior plans merged into this plan have their prior plan accrued benefits and certain optional features preserved under this plan.

Effective as of June 30, 2009, the plan became closed to new entrants.

Effective as of December 31, 2013, the plan eliminated all future pay credits.

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Credited Service	Plan years in which 1,000 hours of service are earned as an eligible employee. For the purpose of the grandfathered benefit, completed calendar months in the year of hire and termination are counted as credited service regardless of the number of hours of service. Service under the prior Retirement Income Plan is limited to 25 years. Credited service is generally limited to service from the date of acquisition if the participant was not a member of a prior plan.
Vesting Service	Plan years in which 1,000 hours of service are earned. Prior to 2005, a year of vesting service is also earned for the period from date of hire to the anniversary thereof, with the next vesting period beginning with the January 1 following employment.
Compensation Compensation for Pay Credits	Compensation is defined as total pay for the calendar year including overtime, bonus, pretax contributions to 401(k) or Section 125 plans and severance. Compensation for a given year is limited to \$200,000 (as adjusted by law).
Final Average Compensation	For grandfathered benefits only, compensation is defined as base pay for the calendar year, excluding overtime, bonuses or other awards. The average of the compensation received during the five consecutive calendar years which produces the highest result.
Covered Compensation	For Grandfathered benefits only, the average of the Social Security taxable wage base for the 35-year period prior to, and including, the year in which the participant attains Social Security retirement age. The wage base is assumed to remain constant from age at determination to Social Security retirement age.
Cash Balance Account Initial Account	A cash balance account was established for each participant based on the present value of their accrued benefit at December 31, 1997, increased by 5%.
Pay Credits	At the end of each plan year, an annual contribution is made to a participant's account equal to a percentage of compensation, provided that the participant worked at a rate of at least 1,000 hours of service during the plan

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Susquehanna Bancshares, Inc. Cash Balance Pension Plan
 EIN: 23-2201716 PN: 001

year. The contribution is based on each participant's age (full years) plus credited service as of the beginning of each plan year, determined as follows:

Participant's Age Plus Service	Contribution Allocation
Less than 30	3%
30–39	4%
40–49	5%
50–59	6%
60–69	7%
70–79	8%
80–89	9%
90–99	10%
100 or more	11%

Effective June 30, 2009, participants with fewer than 15 years of credited service and who have not attained age 50 as of December 31, 2009 will no longer accrue pay credits under the plan.

Interest Credits

The cash balance account balance is credited with interest equal to the average one-year Treasury bill rate in effect at the end of October of the prior year. Effective as of January 1, 2002, the interest credit is limited to a minimum of 5% and a maximum of 8%.

Annuity Conversion Factor

The annuity conversion factor is the amount used to convert the cash balance account to an annuity. It is currently determined using the IRS applicable table as determined by Revenue Ruling 2007-67 and an interest rate of 7%.

Normal Retirement

Normal retirement date is the first day of the month coincident with or next following the attainment of age 65 and five years of vesting service. Upon retirement, participants will receive their cash balance account converted to an annuity using the annuity conversion factor, or if greater, their grandfathered benefit.

Early Retirement

A participant may choose to retire on an early retirement date after attainment of age 55 and 15 years of vesting service. Upon retirement, participants will receive their cash balance account converted to an annuity using the annuity conversion factor, or if greater, their

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

grandfathered benefit. The grandfathered benefit is reduced by 4% per year for early commencement.

Disability Retirement Eligibility

A disabled participant who has attained five years of vesting service and is eligible for Social Security disability benefits will continue to earn pay credits and service during the period of disability, based on the rate of compensation at the time the disability commenced. Participant may elect to retire at normal or, if eligible, early retirement.

Death Benefit

In the event of an active married participant's death on or before the earliest retirement age, the surviving spouse shall receive a benefit based on the participant's vested accrued benefit as of the date of death, but payable as if the participant had separated from service on the date of death, survived to the earliest retirement age, elected a joint and 100% survivor annuity, and died on the day after the earliest retirement age.

In the event of an active married participant's death after the attainment of age 55 and the completion of 15 years of credited service, but prior to normal retirement date, it will be assumed the participant had retired on the day prior to death and elected a joint and 100% survivor benefit.

In the event of an active non-married participant's death after the attainment of five years of vesting service, a single lump sum payment will be made based on years of service at date of death:

Years of Service	Single Sum Payment
Less than vesting Service requirement	\$0
Upon vesting, but fewer than 10	\$5,000
10, but fewer than 20	\$10,000
20 or more	\$25,000

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Severance Benefit

Upon the termination of employment after three or more years of service a participant shall have a vested interest in his accrued benefit which will be payable at normal retirement date. The percentage vested shall be:

Years of Service	Vested Percent
Fewer than 3	0%
3 or more	100%

In the event that a participant has met the service requirements for early retirement at the date of termination, he may elect to receive his vested interest at age 55. Such benefit will be reduced as described under Early Retirement.

Normal Form of Payment

For single participants, the normal form of payment is an annuity paid in monthly installments for life. For married participants, the normal form of payment is a joint and 50% survivor annuity (actuarially equivalent to the life annuity) with spouse as joint annuitant.

Optional Forms of Payment

All optional forms of payment are actuarially equivalent to the normal form of payment. If a married participant does not elect the normal form of payment or does not elect one of the optional forms of payment described below, then the participant's retirement benefit shall automatically be paid under option [1] below. The options are:

- (1) A reduced benefit to be paid during the participant's lifetime with 50% of the reduced benefit to be continued to his spouse for her lifetime after his death.
- (2) A reduced benefit to be paid during the participant's lifetime with 75% of the reduced benefit to be continued to his spouse for her lifetime after his death.
- (3) A reduced benefit to be paid during the participant's lifetime with the same reduced benefit

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

to be continued to his spouse for her lifetime after his death.

- (4) A reduced benefit to be paid for 60, 120, 180, or 240 months certain and thereafter for life.

All optional forms of payment are actuarially equivalent to the normal form of payment on a unisex basis based on 7% interest and the RP-2000 Mortality Table as prescribed in Revenue Ruling 2007-67.

Plan Changes Since the Prior Year

Effective December 31, 2013, the plan was amended to eliminate future pay credits for all participants.

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Schedule SB, line 24—Change in Actuarial Assumptions

Assumption Changes

The funding valuation reflects the following assumption changes:

- A change in the active rates of retirement to better reflect the anticipated experience of the plan.

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Susquehanna Bancshares, Inc. Cash Balance Pension Plan
 EIN: 23-2201716 PN: 001

**Schedule SB, Line 26—Schedule of Active Participant Data
 As of January 1, 2014**

**Susquehanna Bancshares, Inc. Cash Balance Pension Plan
 Actuarial Report for Funding and Accounting Information
 Active Employees**

EIN: 23-2201716 PN: 001

Number of Participants, Average Compensation and Average Cash Balance Account

Attained Age	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25										
25-29		108 \$33,827 \$1,450	5							
30-34		125 \$45,372 \$2,410	65 \$47,949 \$8,030	3						
35-39		92 \$55,588 \$3,885	57 \$63,813 \$12,808	11		1				
40-44		93 \$56,825 \$4,418	57 \$64,004 \$17,271	23 \$71,288 \$27,629	8	8				
45-49		90 \$50,631 \$4,222	58 \$65,725 \$21,949	32 \$72,344 \$40,314	8	11	12	1		
50-54		93 \$61,513 \$6,370	76 \$67,470 \$23,257	49 \$78,209 \$54,081	36 \$66,507 \$60,271	12	11	13	8	
55-59		2	130 \$57,429 \$25,214	70 \$79,290 \$61,454	42 \$62,917 \$71,731	25 \$50,912 \$67,754	15	10	12	8
60-64		2	80 \$58,956 \$26,927	55 \$77,114 \$66,199	25 \$55,295 \$68,146	10	9	5	9	10
65-69			34 \$67,702 \$32,603	19	6	3	4	5	1	3
70+			6	6			1			

N-1,773

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Schedule SB, line 19—Discounted Employer Contributions

Date of Contribution	Amount	Year Applied	Effective Interest Rate	Interest Adjusted Contribution
12/22/2014	\$22,900,000	2014	6.56%	\$21,527,682

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Susquehanna Bancshares, Inc. Cash Balance Pension Plan
 EIN: 23-2201716 PN: 001

Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at beginning of year.

(a) Age	(b) Rate	(c) Weight	(d) Product (a)x(b)x(c)
55	2.00%	1.0000	1.10
56	2.00%	0.9800	1.10
57	5.00%	0.9604	2.74
58	5.00%	0.9124	2.65
59	5.00%	0.8668	2.56
60	10.00%	0.8234	4.94
61	10.00%	0.7411	4.52
62	15.00%	0.6670	6.20
63	15.00%	0.5669	5.36
64	25.00%	0.4819	7.71
65	35.00%	0.3614	8.22
66	30.00%	0.2349	4.65
67	30.00%	0.1644	3.31
68	30.00%	0.1151	2.35
69	30.00%	0.0806	1.67
70	100.00%	0.0564	3.95
Weighted Average:			63.01

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Schedule SB, line 24—Change in Actuarial Assumptions

Assumption Changes

The funding valuation reflects the following assumption changes:

- A change in the active rates of retirement to better reflect the anticipated experience of the plan.

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Susquehanna Bancshares, Inc. Cash Balance Pension Plan
 EIN: 23-2201716 PN: 001

**Schedule SB, Line 26—Schedule of Active Participant Data
 As of January 1, 2014**

**Susquehanna Bancshares, Inc. Cash Balance Pension Plan
 Actuarial Report for Funding and Accounting Information
 Active Employees**

EIN: 23-2201716 PN: 001

Number of Participants, Average Compensation and Average Cash Balance Account

Attained Age	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25										
25-29		108 \$33,827 \$1,450	5							
30-34		125 \$45,372 \$2,410	65 \$47,949 \$8,030	3						
35-39		92 \$55,588 \$3,885	57 \$63,813 \$12,808	11		1				
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45-49		90 \$50,631 \$4,222	58 \$65,725 \$21,949	32 \$72,344 \$40,314	8	11	12	1		
50-54		93 \$61,513 \$6,370	76 \$67,470 \$23,257	49 \$78,209 \$54,081	36 \$66,507 \$60,271	12	11	13	8	
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60-64		2	80 \$58,956 \$26,927	55 \$77,114 \$66,199	25 \$55,295 \$68,146	10	9	5	9	10
65-69			34 \$67,702 \$32,603	19	6	3	4	5	1	3
70+			6	6			1			

N-1,773

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Susquehanna Bancshares, Inc. Cash Balance Pension Plan
 EIN: 23-2201716 PN: 001

Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates for Minimum Funding Purposes	Based on segment rates with no lookback (as of January 2014), each adjusted as needed to fall within the 25-year average interest rate corridor under MAP-21
1st Segment Rate	4.99%
2nd Segment Rate	6.32%
3rd Segment Rate	6.99%
Interest Rates for Maximum Tax Purposes	Based on segment rates with no lookback (as of January 2014), without regard to the MAP-21 interest rate corridor
1st Segment Rate	1.25%
2nd Segment Rate	4.06%
3rd Segment Rate	5.08%
Salary Increases	
Minimum Funding Target Normal Cost	3.00%
Maximum Tax Expected Benefit Increase	3.00%
Cash Balance Interest Crediting Rate	5.00%
Cash Balance Annuity Conversion Rate	7.00%
Social Security Wage Base Increases	Future wage indices are based on a national wage increase of 4.50% per year.
Retirement Age	
Active Participants	See Tables 1
Terminated Vested Participants	See Tables 2
Mortality Rates	
Healthy and Disabled	2014 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e)
Withdrawal Rates	See Table 3
Disability Rates	See Table 4
Decrement Timing	Beginning of year decrements

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Surviving Spouse Benefit	It is assumed that 80% of males and 80% of females have an eligible spouse, and that males are three years older than their spouses.
Valuation Compensation	2013 Pensionable earnings rolled forward one year with the salary increase assumption
Benefit and Compensation Limits	Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of \$210,000 and the IRC section 401(a)(17) compensation limit of \$260,000.
Valuation of Plan Assets	Fair market value
Trust Expenses Included in Target Normal Cost	None
Actuarial Method	Standard unit credit cost method
Valuation Date	January 1, 2014

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Table 1

Retirement Rates

<u>Age</u>	<u>Rate</u>
55	2.00%
56	2.00%
57	5.00%
58	5.00%
59	5.00%
60	10.00%
61	10.00%
62	15.00%
63	15.00%
64	25.00%
65	35.00%
66	30.00%
67	30.00%
68	30.00%
69	30.00%
70+	100.00%

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Table 2

Retirement Rates

<u>Age</u>	<u>Rate</u>
55	10.00%
56	5.00%
57	8.00%
58	8.00%
59	5.00%
60	20.00%
61	2.00%
62	40.00%
63	30.00%
64	25.00%
65	100.00%

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Table 3—Page 1 of 2

Withdrawal Rates

Age	Years of Service			
	0-1	2-4	5-9	10+
18	39.64%	0.00%	0.00%	0.00%
19	20.23%	0.00%	0.00%	0.00%
20	17.99%	14.19%	0.00%	0.00%
21	22.38%	18.19%	0.00%	0.00%
22	24.07%	19.60%	15.00%	0.00%
23	23.85%	19.58%	15.09%	0.00%
24	22.70%	18.32%	14.25%	0.00%
25	21.74%	17.14%	12.96%	0.00%
26	20.95%	16.27%	11.29%	0.00%
27	20.41%	15.29%	9.97%	0.00%
28	19.42%	14.52%	9.15%	8.75%
29	18.73%	13.93%	8.69%	5.21%
30	18.61%	13.58%	8.39%	4.84%
31	18.83%	13.09%	8.02%	5.39%
32	18.32%	12.60%	7.76%	5.47%
33	17.39%	11.97%	7.56%	5.30%
34	16.94%	11.33%	7.37%	5.15%
35	16.78%	11.02%	7.15%	5.02%
36	16.69%	10.98%	6.85%	4.87%
37	16.29%	10.99%	6.68%	4.68%
38	16.00%	10.77%	6.44%	4.43%
39	15.36%	10.59%	6.27%	4.32%
40	15.91%	10.35%	6.01%	4.15%
41	15.94%	10.01%	5.89%	3.93%
42	16.05%	9.72%	5.84%	3.86%
43	15.98%	9.71%	5.75%	3.81%
44	15.88%	9.62%	5.77%	3.79%
45	15.48%	9.47%	5.82%	3.73%
46	15.61%	9.54%	5.81%	3.64%
47	15.30%	9.47%	5.61%	3.66%

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Table 3—Page 2 of 2

Withdrawal Rates

Age	Years of Service			
	0-1	2-4	5-9	10+
48	15.15%	9.37%	5.52%	3.70%
49	15.53%	9.02%	5.60%	3.65%
50	15.60%	8.90%	5.32%	3.49%
51	15.35%	9.32%	5.13%	3.38%
52	14.35%	9.52%	4.99%	3.35%
53	14.34%	9.24%	4.70%	3.22%
54	14.17%	8.80%	4.12%	2.37%
55	13.52%	7.82%	2.59%	0.88%
56	12.84%	7.49%	1.84%	0.23%
57	12.66%	7.67%	1.54%	0.11%
58	12.74%	7.68%	1.58%	0.22%
59	13.50%	7.94%	1.92%	0.31%
60+	13.63%	7.84%	2.12%	0.20%

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Table 4
Disability Rates

Age	Rate	Age	Rate
15	0.00%	45	0.22%
16	0.00%	46	0.25%
17	0.00%	47	0.27%
18	0.00%	48	0.30%
19	0.00%	49	0.32%
20	0.09%	50	0.35%
21	0.09%	51	0.42%
22	0.09%	52	0.49%
23	0.10%	53	0.57%
24	0.10%	54	0.64%
25	0.10%	55	0.71%
26	0.10%	56	0.82%
27	0.10%	57	0.93%
28	0.11%	58	1.04%
29	0.11%	59	1.15%
30	0.11%	60	1.26%
31	0.11%	61	0.00%
32	0.12%	62	0.00%
33	0.12%	63	0.00%
34	0.13%	64	0.00%
35	0.13%	65	0.00%
36	0.14%	66	0.00%
37	0.14%	67	0.00%
38	0.15%	68	0.00%
39	0.15%	69	0.00%
40	0.16%	70	0.00%
41	0.17%	71	0.00%
42	0.18%	72	0.00%
43	0.20%	73	0.00%
44	0.21%	74	0.00%

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Schedule SB, Part V—Summary of Plan Provisions

The following summary describes principal plan provisions assumed in calculating the cost of your pension plan.

General Information

Original Effective Date	January 1, 1989
Effective Date of Last Amendment	December 31, 2013
Plan Year	January 1st to December 31st
Employer Fiscal Year	January 1st to December 31st
Employer ID Number	23-2201716
Plan Administrator's ID Number	23-2201716
Plan Number	001
Plan Administrator	Susquehanna Bancshares, Inc.

Eligibility

Employees who were participants on December 31, 1997 are participants effective January 1, 1998. All other employees become participants on the January 1 of the year in which the employee attains age 21 and completes one year of service. Effective January 1, 2005, employees will become participants on the January 1 following employment.

Participants in the plan prior to January 1, 1998 are eligible for a minimum accrued benefit determined as of December 31, 1997. Participants who attained age 55 and 10 years of credited service receive continuing credited service and compensation under the terms of the Retirement Income Plan. Participants in prior plans merged into this plan have their prior plan accrued benefits and certain optional features preserved under this plan.

Effective as of June 30, 2009, the plan became closed to new entrants.

Effective as of December 31, 2013, the plan eliminated all future pay credits.

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Credited Service	Plan years in which 1,000 hours of service are earned as an eligible employee. For the purpose of the grandfathered benefit, completed calendar months in the year of hire and termination are counted as credited service regardless of the number of hours of service. Service under the prior Retirement Income Plan is limited to 25 years. Credited service is generally limited to service from the date of acquisition if the participant was not a member of a prior plan.
Vesting Service	Plan years in which 1,000 hours of service are earned. Prior to 2005, a year of vesting service is also earned for the period from date of hire to the anniversary thereof, with the next vesting period beginning with the January 1 following employment.
Compensation Compensation for Pay Credits	Compensation is defined as total pay for the calendar year including overtime, bonus, pretax contributions to 401(k) or Section 125 plans and severance. Compensation for a given year is limited to \$200,000 (as adjusted by law).
Final Average Compensation	For grandfathered benefits only, compensation is defined as base pay for the calendar year, excluding overtime, bonuses or other awards. The average of the compensation received during the five consecutive calendar years which produces the highest result.
Covered Compensation	For Grandfathered benefits only, the average of the Social Security taxable wage base for the 35-year period prior to, and including, the year in which the participant attains Social Security retirement age. The wage base is assumed to remain constant from age at determination to Social Security retirement age.
Cash Balance Account Initial Account	A cash balance account was established for each participant based on the present value of their accrued benefit at December 31, 1997, increased by 5%.
Pay Credits	At the end of each plan year, an annual contribution is made to a participant's account equal to a percentage of compensation, provided that the participant worked at a rate of at least 1,000 hours of service during the plan

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Susquehanna Bancshares, Inc. Cash Balance Pension Plan
 EIN: 23-2201716 PN: 001

year. The contribution is based on each participant's age (full years) plus credited service as of the beginning of each plan year, determined as follows:

Participant's Age Plus Service	Contribution Allocation
Less than 30	3%
30–39	4%
40–49	5%
50–59	6%
60–69	7%
70–79	8%
80–89	9%
90–99	10%
100 or more	11%

Effective June 30, 2009, participants with fewer than 15 years of credited service and who have not attained age 50 as of December 31, 2009 will no longer accrue pay credits under the plan.

Interest Credits

The cash balance account balance is credited with interest equal to the average one-year Treasury bill rate in effect at the end of October of the prior year. Effective as of January 1, 2002, the interest credit is limited to a minimum of 5% and a maximum of 8%.

Annuity Conversion Factor

The annuity conversion factor is the amount used to convert the cash balance account to an annuity. It is currently determined using the IRS applicable table as determined by Revenue Ruling 2007-67 and an interest rate of 7%.

Normal Retirement

Normal retirement date is the first day of the month coincident with or next following the attainment of age 65 and five years of vesting service. Upon retirement, participants will receive their cash balance account converted to an annuity using the annuity conversion factor, or if greater, their grandfathered benefit.

Early Retirement

A participant may choose to retire on an early retirement date after attainment of age 55 and 15 years of vesting service. Upon retirement, participants will receive their cash balance account converted to an annuity using the annuity conversion factor, or if greater, their

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

grandfathered benefit. The grandfathered benefit is reduced by 4% per year for early commencement.

Disability Retirement Eligibility

A disabled participant who has attained five years of vesting service and is eligible for Social Security disability benefits will continue to earn pay credits and service during the period of disability, based on the rate of compensation at the time the disability commenced. Participant may elect to retire at normal or, if eligible, early retirement.

Death Benefit

In the event of an active married participant's death on or before the earliest retirement age, the surviving spouse shall receive a benefit based on the participant's vested accrued benefit as of the date of death, but payable as if the participant had separated from service on the date of death, survived to the earliest retirement age, elected a joint and 100% survivor annuity, and died on the day after the earliest retirement age.

In the event of an active married participant's death after the attainment of age 55 and the completion of 15 years of credited service, but prior to normal retirement date, it will be assumed the participant had retired on the day prior to death and elected a joint and 100% survivor benefit.

In the event of an active non-married participant's death after the attainment of five years of vesting service, a single lump sum payment will be made based on years of service at date of death:

Years of Service	Single Sum Payment
Less than vesting Service requirement	\$0
Upon vesting, but fewer than 10	\$5,000
10, but fewer than 20	\$10,000
20 or more	\$25,000

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

Severance Benefit

Upon the termination of employment after three or more years of service a participant shall have a vested interest in his accrued benefit which will be payable at normal retirement date. The percentage vested shall be:

Years of Service	Vested Percent
Fewer than 3	0%
3 or more	100%

In the event that a participant has met the service requirements for early retirement at the date of termination, he may elect to receive his vested interest at age 55. Such benefit will be reduced as described under Early Retirement.

Normal Form of Payment

For single participants, the normal form of payment is an annuity paid in monthly installments for life. For married participants, the normal form of payment is a joint and 50% survivor annuity (actuarially equivalent to the life annuity) with spouse as joint annuitant.

Optional Forms of Payment

All optional forms of payment are actuarially equivalent to the normal form of payment. If a married participant does not elect the normal form of payment or does not elect one of the optional forms of payment described below, then the participant's retirement benefit shall automatically be paid under option [1] below. The options are:

- (1) A reduced benefit to be paid during the participant's lifetime with 50% of the reduced benefit to be continued to his spouse for her lifetime after his death.
- (2) A reduced benefit to be paid during the participant's lifetime with 75% of the reduced benefit to be continued to his spouse for her lifetime after his death.
- (3) A reduced benefit to be paid during the participant's lifetime with the same reduced benefit

Schedule SB Attachment (Form 5500)—2014 Plan Year
Susquehanna Bancshares, Inc. Cash Balance Pension Plan
EIN: 23-2201716 PN: 001

to be continued to his spouse for her lifetime after his death.

- (4) A reduced benefit to be paid for 60, 120, 180, or 240 months certain and thereafter for life.

All optional forms of payment are actuarially equivalent to the normal form of payment on a unisex basis based on 7% interest and the RP-2000 Mortality Table as prescribed in Revenue Ruling 2007-67.

Plan Changes Since the Prior Year

Effective December 31, 2013, the plan was amended to eliminate future pay credits for all participants.

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

Plan Name	Susquehanna Bancshares, Inc. Cash Balance Pension Plan
Plan Sponsor EIN	23-2201716
ERISA Plan No.	001
Plan Year End	12/31/14

The required attachment noted below is included within the Accountant's Opinion attachment to the Form 5500 Schedule H, Part III, which consists of the entire Audit report issued by the Plan's Independent Qualified Public Accountant (IQPA).

Form/Schedule	Line Item	Description
5500 Schedule H	Line 4i	Schedule of Assets (Held at End of Year)

Plan Name	Susquehanna Bancshares, Inc. Cash Balance Pension Plan
Plan Sponsor EIN	23-2201716
ERISA Plan No.	001
Plan Year End	12/31/14

The required attachment noted below is included within the Accountant's Opinion attachment to the Form 5500 Schedule H, Part III, which consists of the entire Audit report issued by the Plan's Independent Qualified Public Accountant (IQPA).

Form/Schedule	Line Item	Description
5500 Schedule H	Line 4j	Schedule of Reportable Transactions

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 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2014</div> This Form is Open to Public Inspection
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Part I Annual Report Identification Information	
For calendar plan year 2014 or fiscal plan year beginning	01/01/2014 and ending 12/31/2014
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); 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 Susquehanna Bancshares, Inc. Cash Balance Pension Plan	1b Three-digit plan number (PN) ▶ 001 1c Effective date of plan 01/01/1989
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) Susquehanna Bancshares, Inc. SBI Finance Tax Dept. 26N. Cedar Street Lititz PA 17543	2b Employer Identification Number (EIN) 23-2201716 2c Plan Sponsor's telephone number (717) 626-4721 2d Business code (see instructions) 522110

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		10/14/15 Date	Mark W. Blazek 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	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 3,924
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1), 6a(2), 6b, 6c, and 6d).	
a(1) Total number of active participants at the beginning of the plan year.....	6a(1) 1,773
a(2) Total number of active participants at the end of the plan year	6a(2) 1,555
b Retired or separated participants receiving benefits	6b 947
c Other retired or separated participants entitled to future benefits.....	6c 899
d Subtotal. Add lines 6a(2), 6b, and 6c.	6d 3,401
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 76
f Total. Add lines 6d and 6e.	6f 3,477
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
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: 1C	
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
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information - Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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