

Susquehanna Bancshares, Inc. Announces Redemption of \$50 Million of Trust Preferred Securities and \$125 Million of Capital Securities

Company Release - 08/13/2012 16:23

LITITZ, Pa.--(BUSINESS WIRE)-- Susquehanna Bancshares, Inc. ("Susquehanna") (NASDAQ: SUSQ) announced today that it has submitted a notice to the trustee for the redemption of all of the outstanding 11% Cumulative Trust Preferred Securities (CUSIP: 86910QAA8), having an aggregate liquidation amount of \$50,010,000, that were issued by Susquehanna Capital II, an affiliated Delaware trust (the "Trust Preferred Securities"). Susquehanna has also submitted a notice to the trustee for the redemption of all of the outstanding 9.375% Capital Securities, Series I (NYSE: SUSQ.A)(CUSIP: 86910P201), having an aggregate liquidation amount of \$125,010,000, that were issued by Susquehanna Capital I, also an affiliated Delaware trust (the "Capital Securities").

The Trust Preferred Securities, which by their terms have a final repayment date of March 23, 2040, will be redeemed on September 17, 2012 at the full amount of \$50,010,000 plus all accrued and unpaid distributions thereon to the redemption date. The Capital Securities, which by their terms have a final repayment date of December 12, 2057, will be redeemed on September 18, 2012 at the full amount of \$125,010,000 plus all accrued and unpaid distributions thereon to the redemption date.

Susquehanna intends to fund these redemptions with available cash and the proceeds from its recently completed \$150,000,000 offering of 5.375% Senior Notes, due 2022.

About Susquehanna

Susquehanna is a financial services holding company with assets of approximately \$18 billion. Headquartered in Lititz, Pa., the company provides banking and financial services at 260 branch locations in the mid-Atlantic region. Through Susquehanna Wealth Management, the company offers investment, fiduciary, brokerage, insurance, retirement planning, and private banking services, with approximately \$7.5 billion in assets under management and administration. Susquehanna also operates an insurance brokerage and employee benefits company, a commercial finance company and a vehicle leasing company.

Susquehanna Bancshares, Inc.

Investor Relations Contact:

Carl D. Lundblad, Senior Vice President

717-625-6305, ir@susquehanna.net

or

Media Relations Contact:

Stephen Trapnell, Director of Communication Strategies

717-625-6548, communications@susquehanna.net

Source: Susquehanna Bancshares, Inc.