



**Susquehanna Bancshares, Inc.**

26 North Cedar Street

Lititz, PA 17543-7000

800.311.3182

[www.susquehanna.net](http://www.susquehanna.net)

October 6, 2008

Dear Susquehanna Customer,

In recent weeks, we've seen an unprecedented barrage of news about the financial services industry, including bankruptcies and rescue plans. Confronted with these rapid-fire developments, it's only natural that customers may have questions about their own bank. That's why I'd like to share some facts about Susquehanna Bank:

**Susquehanna Bank is a safe and sound financial institution.**

We have been serving local communities in the Mid-Atlantic region for more than 100 years. Throughout our history, we have maintained a conservative financial philosophy, making responsible, manageable loans to customers in our core markets.

**Susquehanna Bank did not pursue subprime mortgage lending.**

Our mortgage division did not pursue subprime lending, due to the risks such loans would have posed both to our customers and our own reputation.

**Susquehanna Bank's operations are reviewed by independent regulators.**

We have internal departments dedicated to handling credit and risk management and employ underwriting practices to promote safe and sound operations. Our practices are reviewed by regulators to be sure they meet industry standards set by the government.

**Susquehanna Bank is well capitalized.**

A bank's capital serves as a safeguard against potential losses. Our bank is ranked as well-capitalized under government regulatory standards.

**Susquehanna Bank is an FDIC-insured depository institution.**

Our customers' deposits are insured by the Federal Deposit Insurance Corp. As you may know, the FDIC insurance limit was raised to \$250,000 per depositor per bank, effective Oct. 3, 2008, through Dec. 31, 2009. If you have questions about FDIC insurance limits or how to maximize your coverage, please visit one of our branches or call us at 800-311-3182. You can also visit the FDIC website, [www.fdic.gov](http://www.fdic.gov).

There's no doubt that these are challenging economic times that generate uncertainty. However, you're not in this alone. We stand with you as your financial services partner, right here in your community. We have more than a century of experience in navigating both good and bad economic times, and we put that experience to work for you each and every day. Thank you for choosing Susquehanna Bank.

Sincerely,

William J. Reuter  
Chairman and Chief Executive Officer  
Susquehanna Bancshares, Inc.