

# FULTON FINANCIAL CORPORATION

January 30, 2012

Dear Shareholder,

Fulton Financial Corporation reported net income of \$36.1 million, or 18 cents per diluted share, for the fourth quarter ended December 31, 2011, compared to \$39.3 million, or 20 cents per diluted share, for the third quarter of 2011. For the year ended December 31, 2011, net income available to common shareholders was \$145.6 million, or 73 cents per diluted share, compared to \$112.0 million, or 59 cents per diluted share, for 2010.

2011 was characterized by significant earnings improvement, a lower provision for credit losses, strong core deposit growth, good expense control and an increase in our cash dividend. Earnings for the quarter were down from the prior quarter due to an increase in operating expenses, federal regulations that reduced debit card interchange revenue and compression of our net interest margin. In comparison to the third quarter of 2011, we were pleased to see moderate loan growth, a reduction in overall loan delinquency and improvement in our credit quality metrics as a result of the continued resolution of distressed assets along with the sale of non-performing residential mortgages during the fourth quarter of 2011.

As I reflect on the past year, while I am pleased with our progress in a very challenging economic and regulatory environment, I am also aware of how much remains to be accomplished to return your company to pre-recession performance levels. Our continued improvement depends upon a number of factors, some of which are within our control and others which are not, and there will undoubtedly be additional challenges along the way. I believe we are well positioned for continued progress as consumer and business confidence rises along with the pace of the economy.

In December, the board of directors appointed Albert Morrison III, of Lancaster, PA, to the board. Mr. Morrison is chairman and CEO of Burnham Holdings, Inc., the parent company of fourteen subsidiaries that are leading domestic manufacturers of boilers and related HVAC products and accessories for residential, commercial and industrial applications. As a long-time CEO of a public company, Mr. Morrison brings financial, acquisition, risk management and human resources skills to our board. He also brings significant knowledge of many of the markets we serve, and we look forward to having his expertise benefit our shareholders and our company.

Our Annual Shareholders' Meeting will be held on Monday, April 30 at the Lancaster Marriott Penn Square in downtown Lancaster, PA. The doors will open at 9 a.m. and the program will begin at 10 a.m. You will be able to listen to the program through the webcast link located in the Investor Relations section of our website ([www.fult.com](http://www.fult.com)) if you are not able to attend the event.

Proxy materials will be mailed to shareholders approximately one month prior to the Annual Meeting. Please remember to vote your shares. In the past few years, rule changes have limited brokers' ability to vote their clients' shares, and we need your vote! You may vote by mail, by telephone, or via the Internet, and complete instructions will be provided with your proxy mailing.

We thank you for your investment in Fulton Financial Corporation and we look forward to sharing more information about the past year in our annual report and at the Annual Shareholders' Meeting.



R. Scott Smith, Jr.  
Chairman and Chief Executive Officer

[Click here](#) to view news from our company, including our most recent earnings press release and accompanying financial tables.