

Dear Shareholder:

We change lives for the better. Six simple words that convey the purpose of our organization. During the year, we rallied our team members around that purpose, asking them to thoughtfully consider how their actions can impact our customers and change their lives by helping them achieve their financial goals while at the same time continuing to focus on driving shareholder value. In 2018, we were able to execute on our goals and objectives, while fulfilling this purpose, which translated into record levels of net income and revenue. Net income and revenue surpassed \$200 million and \$800 million, respectively, for the first time in our history.

On the corporate front, we hit two notable milestones. First, the Bank Secrecy Act and Anti-Money Laundering (“BSA/AML”) consent orders issued to our subsidiary banks in Maryland and New Jersey were terminated. This follows the terminations in 2017 of the consent orders issued to three of our other subsidiary banks. Second, we consolidated two of our subsidiary banks, FNB Bank, N.A. and Swineford National Bank, with our largest banking subsidiary, Fulton Bank, N.A. We have one BSA/AML consent order remaining, and we are confident that we are progressing toward achieving a similar resolution. Once that order is terminated, we will fully pursue our strategic priority of consolidating our remaining subsidiary banks with our flagship bank, Fulton Bank, N.A.

We continue to grow in Philadelphia and Baltimore. Both markets have a team of commercial and consumer lenders in place to help us take advantage of what we view as tremendous long-term growth opportunities. In Philadelphia, we opened a mortgage loan production office and three full-service branches in 2018 and early 2019. In Baltimore, we opened a mortgage loan production office in January 2019, and have plans to open full-service branch offices in the future.

Our Investment Management and Trust business had a strong year due to overall market performance and our continued asset gathering focus. Brokerage revenue grew 8.0% year-over-year, and continues to be one of our fastest growing segments within the business. Recently, we had the opportunity to broaden our reach to serve additional clients in central Pennsylvania by purchasing a wealth management business located in Altoona, PA, adding approximately \$250 million of assets under management and administration to our brokerage platform. With that acquisition, our investment management and trust services business now has approximately \$11.0 billion in assets under management or administration, and we continue to look at other opportunities to keep growing that business.

We were pleased to see a decline in our efficiency ratio year-over-year. Since 2012, we have consolidated 37 branches¹, or approximately 14% of our branch network. We believe there will be more opportunities to optimize our branch network over time and gain efficiencies as we react to changing customer preferences and behaviors. In addition, opportunities exist for efficiencies as we continue to upgrade our origination and servicing platforms, consolidate our bank charters and exit our BSA/AML order. While expense management is a top priority, and we continually look for ways to make our organization more efficient, we are also investing in our company to support a larger organization that can benefit from economies of scale.

Changing customer behavior and preferences has challenged the banking industry to rethink how we do business. More customers now prefer online and mobile to “branch banking”. Given this change, we have made significant investments over the past several years to enhance our digital capabilities, in both our consumer and commercial businesses. We launched a best-in-class commercial online banking

platform, and have plans to launch a new commercial loan origination system in 2019. On the consumer side, we continue to upgrade our branch network to a new format that fosters a greater focus on the customer experience. The new format supports higher-value activities geared towards advice and sales and reflects the diminishing role of traditional teller transactions.

Strategically, the deployment of capital for the enhancement of long-term shareholder value remains one of our highest priorities. In 2018, we increased our quarterly common dividend by \$0.01 to \$0.12, and paid a \$0.04 special dividend in the 4th quarter. We also repurchased approximately \$95 million of our common stock during the year. In all, we distributed nearly 90% of our net income to shareholders in 2018.

As a shareholder, it is important that you know the strategic goals and objectives that your senior management team seeks to accomplish. In 2019, we will continue our focus on the following priorities:

Growing the Company:

- Investing in talent for growth in targeted markets and businesses
- Investing in digital and customer intelligence capabilities to acquire new relationships and cross-sell to existing clients
- Serving all segments of communities through the expansion of our Fulton Forward™ initiative, which focuses on four key areas: Affordable Housing & Home Ownership; Job Training & Workforce Development; Financial Education & Economic Empowerment; and Diversity & Inclusion
- Implementing new branch formats and expanding in urban markets

Achieving Operational Excellence:

- Advancing business line structure and charter consolidation
- Focusing on consistency and effectiveness across all operations areas through enterprise process design, improvement and automation
- Developing an enterprise technology strategy, including defining the future state platforms and execution roadmap

Sustaining and Scaling Effective Risk and Compliance Activities:

- Sustaining risk management, compliance and systems to ensure stakeholder expectations are met
- Implementing technology enhancements to automate controls and enable on-going monitoring

Our Board of Directors and management team look forward to meeting with shareholders at Fulton's Annual Shareholders Meeting in Lancaster, Pennsylvania on Tuesday, May 21st at 10 a.m. In closing, I want to again extend my gratitude for your continued confidence in Fulton. Please be assured that every member of our team is working hard to enhance the value of your investment.

Very truly yours,



E. Philip Wenger
Chairman and CEO

¹ Net of new branch openings

This letter contains forward-looking statements with respect to our financial condition, results of operations and business. Do not unduly rely on forward-looking statements. Forward-looking statements can be identified by the use of words such as "may," "should," "will," "could," "estimates," "predicts," "potential," "continue," "anticipates," "believes," "plans," "expects," "future," "intends," "projects," the negative of these terms and other comparable terminology. These forward looking statements may include projections of, or guidance on, our future financial performance, expected levels of future expenses, anticipated growth strategies, descriptions of new business initiatives and anticipated trends in our business or financial results.

Forward-looking statements are neither historical facts, nor assurance of future performance. Instead, they are based on current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions, and speak only as of the date when made. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control, and actual results and financial condition may differ materially from those indicated in the forward-looking statements. A discussion of certain risks and uncertainties affecting us, and some of the factors that could cause our actual results to differ materially from those described in the forward-looking statements, can be found in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2018, which accompanies this letter. We undertake no obligation, other than as required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.