

FULTON FINANCIAL CORPORATION
2009 Annual Report

“The 3,900 members of our team have been the key to ensuring that this company continues to move forward, and I am very grateful for their hard work and support. Their efforts enabled us to retain existing clients and attract new ones, and I am very proud that we are part of the same team.”

- R. Scott Smith, Jr., Chairman & CEO

Dear Shareholder:

As I write to you, I am encouraged by how different the message and tone of this letter is from the one I wrote to our shareholders a year ago. At that time, we had ended the previous year with disappointing results, and as I shared that news, I stated that we were managing your company with one goal in mind: to position the Corporation for the future so that we could emerge faster and stronger as the economy improved.

Now, one year later, I am pleased to tell you that our strategies are working, as seen in our 2009 performance. Our fourth quarter 2009 earnings were relatively strong as compared to what we, and much of our industry, have experienced over the past two years. For the year ended December 31, 2009, net income available to common shareholders was \$53.8 million, or 31 cents per diluted share, compared to a net loss available to common shareholders of \$6.1 million, or 3 cents per diluted share, for 2008. We expect continued earnings improvement as the economy rebounds.

In 2009, we saw significant core deposit growth, good growth in non-interest income, and continued tight control of expenses. There were a number of other bright spots during the past year as well. We increased our deposit market share in 36 of the 53 counties we serve throughout our five-state footprint. Our mortgage banking business contributed nicely to our bottom line. New technology that has been deployed throughout the company is helping us serve our customers even more efficiently than before. Our continued focus on the small business sector is enabling us to grow our presence in this market segment. And our enhanced rewards programs provide incentives for customers to increase their banking relationships with us.



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



E. Philip Wenger
President and Chief Operating Officer

Through these efforts and others, along with the help of a strengthening economy, we are focused on achieving our goal of returning this company to being a strong performer. We were pleased to see our stock price increase in the fourth quarter of 2009, as the market recognized our stronger financial performance.

As you know, the past 18-24 months have posed economic challenges for our customers, our company, our industry, our nation, and the world. During this tumultuous period, our primary goal was to make sure this company emerged successfully from a prolonged economic downturn. To do so, we made some difficult but necessary decisions. We continually and realistically assessed our loan portfolio and worked to address our credit issues quickly and decisively. We participated in the Treasury's Capital Purchase Program to ensure that we maintained a strong balance sheet in case of a prolonged recession. And we reduced the cash dividend for the first time in our history. I will discuss each of these actions briefly.

Loan quality has been a key priority for us and for our industry. Credit issues were the major challenge for the year, as we allocated additional reserves to cover loan losses. We expensed \$190 million, and charged off \$113 million in loans. While the credit crisis has not affected our company to the extent that it has affected a number of our peers, our loan losses were still far greater than any we had experienced in Fulton Financial's 28-year history. We worked to recognize credit quality problems early. We decisively addressed them to get those issues behind us and to position the company for better times ahead. Knowing that commercial real estate loans have been an industry-wide concern, we have managed this portfolio carefully to ensure that it is well diversified, that the



Charles J. Nugent
*Senior Executive Vice President/
Chief Financial Officer*

average loan size remains relatively small, and that a large portion of these loans are for owner-occupied properties, which helps to mitigate our risk.

Although we have paid careful attention to loan quality, we have continued to make quality loans to credit-worthy individuals and businesses. However, the demand for loans decreased as customers postponed growth and expansion plans in favor of more conservative financial practices. As we begin to see increasingly encouraging economic news, we believe that customers will feel more comfortable in expanding their businesses, purchasing homes, and pursuing the wide variety of lending options we have to offer.

We participated in the U.S. Treasury Department's Capital Purchase Program. Some banks have repaid these funds to the federal government, and I am often asked when we will do the same. Our board of directors continually evaluates our capital position relative to the economy and to our earnings performance. We will repay these funds when the board feels it is prudent to do so, and when it can be done in as shareholder-friendly a manner as possible.



James E. Shreiner
*Senior Executive Vice President/
Administrative Services*



Craig H. Hill
*Senior Executive Vice President/
Human Resources*

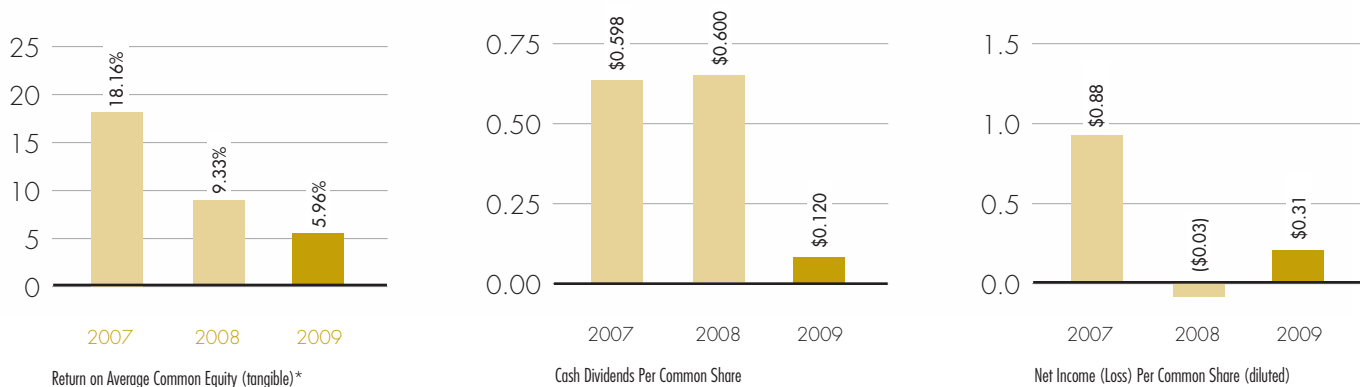
Our quarterly cash dividend currently stands at three cents per share, and I am sure you are wondering what our plans are for increasing the dividend in the future. We realize that the cash dividend is very important to our shareholders. However, during periods of economic challenge, it is important for a business to retain a greater portion of its earnings to see it through the difficult times, and that is what we have done. We are thankful that, even through the prolonged economic downturn, we have been able to continue to declare a dividend, although at a reduced level, and we look forward to the time when we can increase it. When the board of directors feels certain

that our capital base is sufficient relative to the strength of the economy and our earnings are at a level that supports increasing the dividend, we will do so.

Many of our customers have seen and heard troubling news items related to problems in some areas of our nation's financial services industry. These articles have fostered a greater awareness of the importance of "knowing your banker." As a result, our commitment to local community banking is more important than ever. At a time when customers were unsure about the safety of their funds, we were there to help them. Our employees upheld our customer promise to "Care, Listen, Understand and Deliver," and they worked hard to earn and maintain each and every client's trust. Time and time again, we heard how grateful customers were for our team members, who live in, work in and give back

to the communities they serve, and for the strength of our local decision-making process which, despite tough times, enabled families to buy homes, businesses to obtain loans, and helped hundreds of nonprofit and community organizations to continue to help our friends and neighbors in need.

Despite the economic downturn and our efforts to reduce costs, we continued to dedicate resources to strengthen our ability to deliver on our customer promise. This focus enabled us to maintain high employee morale and helped our staff members to communicate a stable and positive attitude to customers who were concerned about the safety and soundness of their financial partner. Our employees realized that we were operating in largely unprecedented times, and they met every challenge enthusiastically and effectively.



*Net income (loss), adjusted for intangible amortization (net of tax) and goodwill impairment charges, divided by average common shareholders' equity, net of goodwill and intangible assets.

The 3,900 members of our team have been the key to ensuring that this company continues to move forward, and I am very grateful for their hard work and support. Their efforts enabled us to retain existing clients and attract new ones, and I am very proud that we are part of the same team.

We believe our efforts to focus on activities that will help us emerge from the economic downturn more quickly than our peers are working. The opportunity to acquire banks at a reasonable cost has not presented itself for several years. We are still interested in making acquisitions that would benefit our shareholders. However, in the absence of these opportunities, our ongoing strategy is to focus on organic growth. This means serving more individuals and businesses, providing a greater number of services to each of our customers, and increasing our non-interest income – all of which will strengthen the company's bottom line. Despite

the challenges of the past year or two, we have continued to carefully and strategically invest in new branches in existing and new markets to foster organic growth.

As I close this letter, I want to thank you, and the more than 49,000 shareholders who have invested in our company. We know that there are sure to be some bumps along the road to economic recovery, but we have seen some encouraging news over the past few months. We will continue to work to deliver the kind of earnings performance that drives increases in shareholder value.

Sincerely,

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

FINANCIAL HIGHLIGHTS

AS OF OR FOR THE YEAR ENDED DECEMBER 31

(Dollars in thousands, except per-share data)

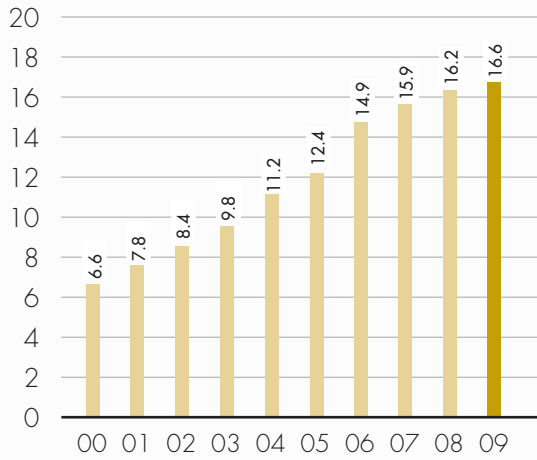
BALANCE SHEET DATA	2009	2008	2007	Percent Change	
				2009/2008	2008/2007
Total assets	\$16,636,000	\$16,185,000	\$15,923,000	2.8%	1.6%
Loans, net of unearned income	11,972,000	12,043,000	11,204,000	(0.6%)	7.5%
Deposits	12,098,000	10,552,000	10,105,000	14.7%	4.4%
Common shareholders' equity	1,566,000	1,491,000	1,575,000	5.0%	(5.3%)
PER COMMON SHARE DATA					
Net income (loss) (diluted)	\$0.31	\$(0.03)	\$0.88	N/M	(103.4)
Common stock cash dividends	0.120	0.600	0.598	(80.0%)	0.3%
Shareholders' equity (tangible)	5.75	5.33	5.30	7.9%	0.6%

N/M - Not meaningful

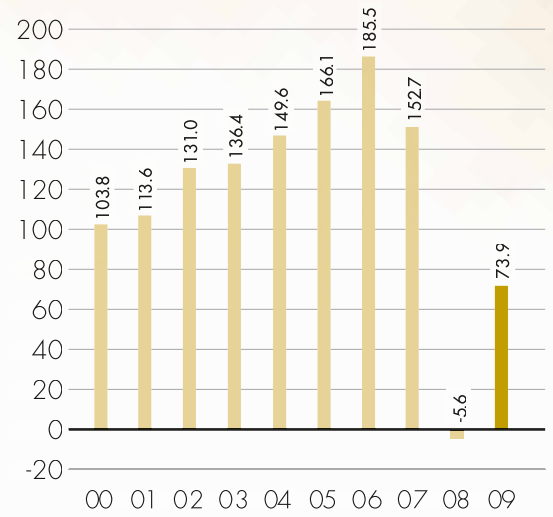
10 YEARS IN REVIEW

(2000-2009)

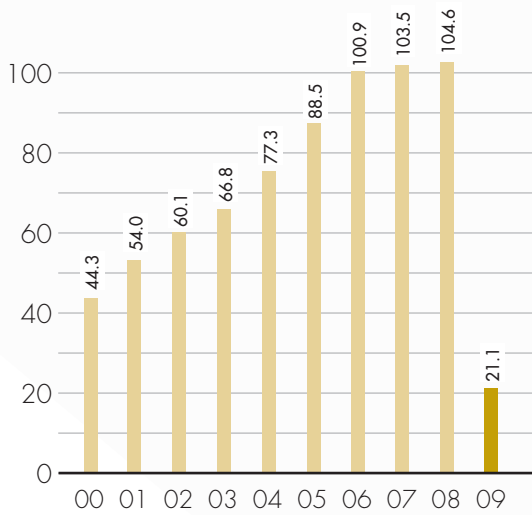
Total Assets
(in billions
of dollars)



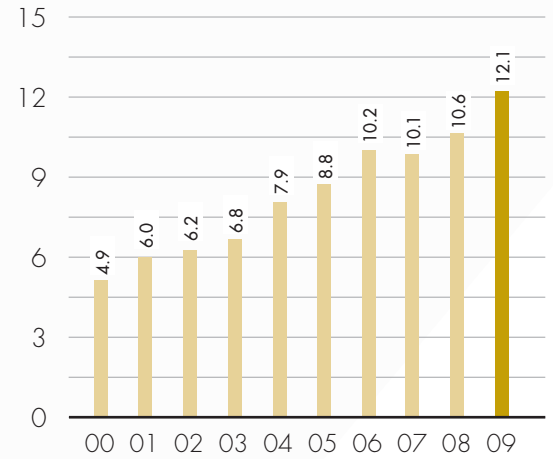
Net Income (loss)
(in millions
of dollars)



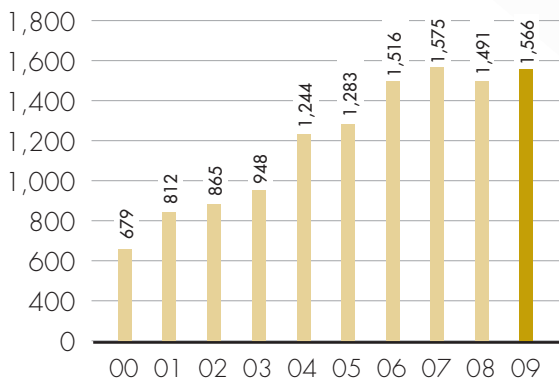
Common Stock
Cash Dividends
(in millions
of dollars)



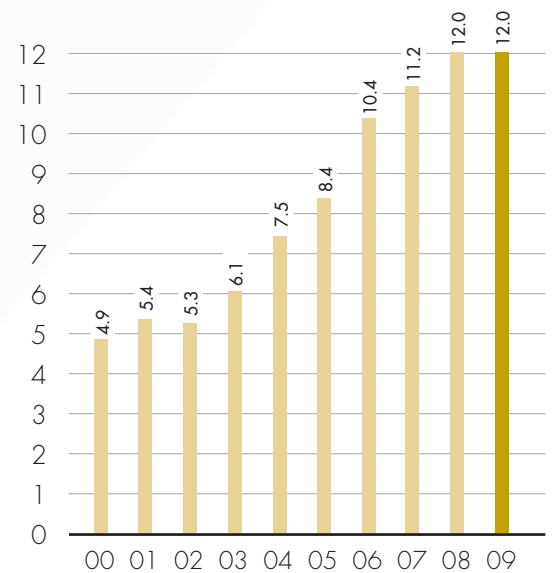
Deposits
(in billions
of dollars)



Common
Shareholders'
Equity
(in millions
of dollars)



Loans
(in billions
of dollars)



INVESTOR INFORMATION

INVESTOR INFORMATION

STOCK LISTING

Common shares of Fulton Financial Corporation are traded under the symbol "FULT" and are listed in the NASDAQ Global Select Market.

CASH DIVIDENDS

The Fulton Financial Corporation Board of Directors decides whether to declare a quarterly cash dividend in the third month of each quarter (i.e., March, June, September and December).

DIVIDEND REINVESTMENT PLAN AND DIRECT DEPOSIT OF CASH DIVIDENDS

Fulton Financial Corporation offers its shareholders the convenience of a Dividend Reinvestment and Stock Purchase Plan and direct deposit of cash dividends.

Holders of stock may have their quarterly dividends automatically reinvested in additional shares of the Corporation's common stock by utilizing the Dividend Reinvestment Plan.

Shareholders participating in the Plan may also make voluntary cash contributions not to exceed \$5,000 per month.

In addition, shareholders also have the option of having their cash dividends sent directly to their financial institution for deposit into their checking or savings account.

Shareholders may receive information on either the Dividend Reinvestment Plan and Stock Purchase Plan or direct deposit of cash dividends by writing to:

Stock Transfer Department
Fulton Financial Advisors
P.O. Box 3215
Lancaster, PA 17604-3215
or by calling: (717) 291-2546 or toll-free:
1.800.626.0255.

INVESTOR INFORMATION AND DOCUMENTS

A copy of the Corporation's Annual Report, Form 10-K, 2010 Proxy Statement and other documents filed with the Securities and Exchange Commission can be viewed on the Corporation's website at www.fult.com. In addition, copies of the Form 10-K and 2010 Proxy Statement may be obtained without charge to shareholders by writing to:

Corporate Secretary
Fulton Financial Corporation
P.O. Box 4887
Lancaster, PA 17604-4887

News, stock information, an events calendar, Corporate presentations and other information can be found on the Corporation's website at www.fult.com.

The Annual Meeting of Shareholders of Fulton Financial Corporation will be held on Friday, April 30, 2010 at 10:00 a.m. in the Commonwealth Ballroom of the Lancaster Marriott at Penn Square in downtown Lancaster. Please note that any shareholder who would like to attend MUST HAVE A RESERVATION.

To make a reservation, please return the Annual Meeting Response Card you received with your proxy statement. Your reservation will help ensure that we have adequate seating for all shareholders who plan to join us that day.

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Swineford National Bank

Lafayette Ambassador Bank

FNB Bank, N.A.

Delaware National Bank

The Bank

Skylands Community Bank

The Columbia Bank

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Fulton Mortgage Company

*Investment management and
planning services offered through:*

Fulton Financial Advisors &
Clermont Wealth Strategies