

FULTON FINANCIAL CORP

Form 424B4

May 03, 2010

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Filed Pursuant to Rule 424(b)(4)

Registration No. 333-156396

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value \$2.50 per share	25,071,090	\$10.55	\$264,999,999.50	\$ 18,894.50 (1)

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

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PROSPECTUS SUPPLEMENT

(To Prospectus dated December 22, 2008)

21,800,948 Shares

Common Stock

This is an offering of 21,800,948 shares of the common stock, par value \$2.50 per share, of Fulton Financial Corporation (Fulton Financial). We will receive all of the net proceeds from the sale of our common stock. We intend to use the net proceeds of this offering, together with other funds, to redeem the Series A Preferred Stock we issued to the U.S. Department of the Treasury (the Treasury) as part of the Treasury s TARP Capital Purchase Program at such time as our banking regulators authorize and the Treasury formally approves. See Use of Proceeds on page S-11 of this prospectus supplement.

Our common stock trades on the Nasdaq Global Select Market (Nasdaq) under the symbol FULT. The last reported trading price of our common stock as reported on the Nasdaq on April 29, 2010 was \$11.05 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page S-6 of this prospectus supplement.

These shares of our common stock will not be savings accounts, deposits or other obligations of any of our bank or non-bank subsidiaries and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

	Per Share	Total
Price to the public	\$ 10.55	\$ 230,000,001
Underwriting discounts and commissions	\$ 0.15	\$ 3,270,142
Proceeds to Fulton Financial (before expenses)	\$ 10.40	\$ 226,729,859

We have granted Barclays Capital the option to purchase up to an additional 3,270,142 shares of common stock on the same terms and conditions set forth above if Barclays Capital sells more than 21,800,948 shares of common stock in this offering.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

Barclays Capital expects to deliver the shares of common stock on or about May 5, 2010.

Barclays Capital

Prospectus Supplement dated April 29, 2010

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Prospectus

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You should rely only on the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. We have not, and the underwriter has not, authorized anyone to provide you with different information.

We are not, and the underwriter is not, making an offer of the shares of common stock covered by this prospectus supplement in any jurisdiction where the offer is not permitted.

You should assume that the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus and in the documents incorporated by reference herein and therein is accurate only as of their respective dates.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of the offering. The second part is the accompanying prospectus, which describes more general information, some of which may not apply to the offering. You should read both this prospectus supplement and the accompanying prospectus, together with the additional information described under the heading "Where You Can Find More Information" below.

All references in this prospectus supplement to "Fulton Financial, the Corporation, we, us, our" or similar references mean Fulton Financial Corporation, a Pennsylvania corporation, and its successors, and include our consolidated subsidiaries where the context so requires.

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

Currency amounts in this prospectus supplement are stated in U.S. dollars.

FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus, including information incorporated in them by reference, contain forward-looking statements with respect to our financial condition and results of operations. Many factors could affect future financial results, including without limitation: asset quality and the impact of adverse changes in the economy and in credit or other markets and resulting effects on credit risk and asset values; acquisition and growth strategies; market risk; changes or adverse developments in economic, political, or regulatory conditions; a continuation or worsening of the current disruption in credit and other markets, including the lack of or reduced access to, and the abnormal functioning of, markets for mortgages and other asset-backed securities and for commercial paper and other short-term borrowings; changes in the levels of Federal Deposit Insurance Corporation ("FDIC") deposit insurance premiums and assessments; the effect of competition and interest rates on net interest margin and net interest income; investment strategy and income growth; investment securities gains and losses; declines in the value of securities which may result in charges to earnings; changes in rates of deposit and loan growth or a decline in loans originated; balances of risk-sensitive assets to risk-sensitive liabilities; salaries and employee benefits and other expenses; amortization of intangible assets; goodwill impairment; capital and liquidity strategies and other financial and business matters for future periods. Do not unduly rely on forward-looking statements. You can identify forward-looking statements by the use of words such as "may," "should," "will," "could," "estimates," "predicts," "potential," "continue," "anticipates," "believes," "plans," "expects," "future" and "intends" and similar expressions which identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. For a discussion of some of these risks, uncertainties and other factors, see "Risk Factors" and "Business Supervision and Regulation" in our Annual Report on Form 10-K for the year ended December 31, 2009 filed with the U.S. Securities and Exchange Commission (the "SEC") and available on the SEC's website at www.sec.gov. Neither we nor the underwriter undertakes any 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.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly, and current reports, proxy statements, and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's web site at www.sec.gov and on the investor relations page of our website at www.fult.com. Except for those SEC filings incorporated by reference in this

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prospectus supplement and the accompanying prospectus, none of the information on or that can be accessed through our website is part of this prospectus supplement or the accompanying prospectus. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street N.E., Washington, D.C. 20549. You can also obtain copies of the documents upon the payment of a duplicating fee to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to incorporate by reference much of the information that we file with it, which means that we can disclose important information to you by referring you to those publicly available documents. The information that we incorporate by reference is an important part of this prospectus supplement. Some information contained in this prospectus supplement updates the information incorporated by reference, and information that we file in the future with the SEC will automatically modify, supersede or update this prospectus supplement. In other words, in the case of a conflict or inconsistency between information in this prospectus supplement and/or information incorporated by reference into this prospectus supplement, you should rely on the information contained in the document that was filed later.

This prospectus supplement incorporates by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), until the termination of this offering of common stock:

our Annual Report on Form 10-K for the year ended December 31, 2009 (including information specifically incorporated by reference into the Annual Report on Form 10-K from our definitive proxy statement filed on March 26, 2010);

our Current Reports on Form 8-K filed on March 22, 2010 and furnished on April 20, 2010; and

the description of our common stock, which is registered under Section 12 of the Exchange Act, in our registration statement on Form 8-A filed with the SEC on July 3, 1989 including any subsequently filed amendments and reports updating such description. Notwithstanding the foregoing, we are not incorporating any document or information deemed to have been furnished and not filed in accordance with SEC rules (other than the Current Report on Form 8-K furnished on April 20, 2010 referred to above, which is hereby incorporated by reference).

Upon written or oral request, we will provide at no cost to the requester a copy of any or all of the information that has been incorporated by reference in this prospectus supplement but not delivered with the prospectus supplement. You may make a request by writing to the following address or calling the following telephone number:

Fulton Financial Corporation

One Penn Square, P.O. Box 4887

Lancaster, PA 17604

Attention: Corporate Secretary

(717) 291-2411

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SUMMARY

The following summary is qualified in its entirety by the more detailed information included elsewhere or incorporated by reference into this prospectus supplement and the accompanying prospectus. Because this is a summary, it may not contain all of the information that is important to you. You should read the entire prospectus supplement and the accompanying prospectus, including the section entitled Risk Factors and the documents incorporated by reference herein before making an investment decision.

Fulton Financial Corporation

Fulton Financial Corporation was incorporated under the laws of the Commonwealth of Pennsylvania on February 8, 1982 and became a bank holding company through the acquisition of all of the outstanding stock of Fulton Bank on June 30, 1982. In 2000, Fulton Financial became a financial holding company registered under the Bank Holding Company Act of 1956, as amended (the BHC Act), which allowed us to expand our financial services activities under our holding company structure. Fulton Financial directly owns 100% of the common stock of eight community banks and 12 non-bank entities. As of December 31, 2009, we had approximately 3,560 full-time equivalent employees. Fulton Financial's eight subsidiary banks are located primarily in suburban or semi-rural geographical markets throughout a five state region (Pennsylvania, Delaware, Maryland, New Jersey and Virginia) and include Fulton Bank, N.A., Swineford National Bank, Lafayette Ambassador Bank, FNB Bank N.A., Delaware National Bank, The Bank, The Columbia Bank and Skylands Community Bank. In addition, Fulton Financial owns the following non-bank subsidiaries: Fulton Reinsurance Company, LTD, Fulton Financial Realty Company, Central Pennsylvania Financial Corp., FFC Management, Inc., FFC Penn Square, Inc. and Fulton Insurance Services Group, Inc.

As a registered financial holding company, we are subject to the supervision of the Federal Reserve. We are required to file with the Federal Reserve reports and other information regarding our business operations and the business operations of our subsidiaries.

At March 31, 2010, we had, on a consolidated basis, total assets of \$16.4 billion, total deposits of \$12.2 billion and shareholders' equity of \$2.0 billion.

Our principal executive office is located at One Penn Square, Lancaster, PA 17602, telephone number: (717) 291-2411.

Recent Developments

Redemption of outstanding TARP preferred stock

On December 23, 2008, we issued 376,500 shares of our Fixed Rate Cumulative Perpetual Preferred Stock, Series A, referred to as Series A Preferred Stock, to the Treasury pursuant to a Letter Agreement dated December 23, 2008 and the Securities Purchase Agreement Standard Terms attached thereto for an aggregate purchase price of \$376.5 million pursuant to the Treasury's TARP Capital Purchase Program, or CPP. In connection with purchasing the Series A Preferred Stock, the Treasury also received a warrant to purchase 5,509,756 shares of our common stock at an initial per share exercise price of \$10.25, subject to adjustment, which expires 10 years from the issuance date, referred to herein as the Warrant, and we agreed to provide the Treasury with registration rights covering the Series A Preferred Stock and the Warrant and the underlying shares of common stock.

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As announced on April 29, 2010, we intend to use the net proceeds of this offering, together with other funds, to redeem all 376,500 shares of our Series A Preferred Stock we issued to the Treasury as part of the Treasury's CPP at such time as our banking regulators authorize and the Treasury formally approves. See "Use of Proceeds" in this prospectus supplement. Upon redemption of the Series A Preferred Stock, we currently plan to repurchase the Warrant at a price to be negotiated, though we may not decide or be able to do so; and if we do not repurchase the Warrant, the Treasury could either exercise the Warrant or sell it to third parties.

In the period in which we redeem the Series A Preferred Stock, we will accelerate the accretion of the issuance discount on the Series A Preferred Stock and record a corresponding reduction in retained earnings, resulting in a one-time, noncash reduction in the calculation of diluted earnings per common share (i.e., a reduction in net income available to common shareholders in an amount equal to the issuance discount accelerated). The issuance discount is due to the carrying value of the Series A Preferred Stock being at a discount to its liquidation value as a result of the initial recognition of Series A Preferred Stock and the related warrants based on their relative fair values at issuance. As of March 31, 2010, the amount of the issuance discount on the Series A Preferred Stock was \$5.9 million.

Following this offering and redemption of the Series A Preferred Stock and without giving effect to any exercise by the underwriter of its option to purchase additional shares of our common stock, we expect that Fulton Financial's pro forma Tier 1 capital and Tier 1 common equity to risk-based assets ratios as of March 31, 2010, would be 10.9% and 9.5%, respectively, based on March 31, 2010 estimated ratios of 12.0% and 7.8%, respectively. Our pro forma capital and common equity ratios are forward-looking statements that are subject to assumptions, risks and uncertainties. See "Forward-looking Statements."

First quarter unaudited preliminary financial results

On April 20, 2010, Fulton Financial reported its unaudited preliminary financial results for the quarter ended March 31, 2010. Fulton Financial reported first quarter net income available to common shareholders of \$22.4 million, or \$0.13 per diluted common share, compared with net income available to common shareholders of \$8.1 million, or \$0.05 per diluted common share, for the first quarter of 2009. Fulton Financial reported total consolidated assets of approximately \$16.4 billion, total consolidated deposits of approximately \$12.2 billion and total consolidated shareholders' equity of approximately \$2.0 billion, each as of March 31, 2010. Also as of that date, non-performing assets were \$312.2 million, or 1.90% of total assets. For more details regarding our unaudited preliminary financial results, please see our first quarter earnings release and supplemental financial information, which were furnished as Exhibits 99.1 and 99.2, respectively, to the Current Report on Form 8-K we furnished with the SEC on April 20, 2010 and is incorporated herein by reference.

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The Offering

Issuer	Fulton Financial Corporation, a Pennsylvania corporation.
Common Stock Offered	21,800,948 shares of our common stock, par value \$2.50 per share.
Option to Purchase Additional Shares	The underwriter may purchase up to an additional 3,270,142 shares of our common stock within 30 days of the date of this prospectus supplement.
Common Stock Outstanding After This Offering	198,395,202 shares of common stock (201,665,344 shares of common stock upon exercise of option to purchase additional shares in full). ⁽¹⁾
Use of Proceeds	We estimate that the net proceeds of this offering will be approximately \$226.4 million (or \$260.4 million if the underwriters exercise their option in full), after deducting estimated expenses and underwriting discounts and commissions. We intend to use the net proceeds of this offering, together with other funds, to redeem the Series A Preferred Stock we issued to the Treasury as part of the Treasury's CPP at such time as our banking regulators authorize and the Treasury formally approves. If the Treasury does not approve our application with respect to the Series A Preferred Stock redemption, we will use the net proceeds of this offering for general corporate purposes, which may include contributing some portion of the net proceeds to the capital of our subsidiaries, which would use such amount for their general corporate purposes.
Market and Trading Symbol for the Common Stock	Our common stock is listed and traded on the Nasdaq under the symbol FULT.
Risk Factors	An investment in our common stock is subject to risks. Please refer to Risk Factors and other information included or incorporated by reference in this prospectus supplement for a discussion of factors you should carefully consider before investing in shares of our common stock.

⁽¹⁾ The number of shares of common stock that will be outstanding immediately following this offering is based on 176,594,254 shares of common stock outstanding as of April 23, 2010, including shares of unvested restricted stock issued under our equity compensation plans, but excluding shares available for future grant under our equity compensation plans and excluding:

6,503,608 shares issuable upon the exercise of outstanding stock options at a weighted average exercise price of \$14.03 per share (with options to purchase 5,069,013 shares being exercisable as of April 23, 2010); and

5,509,756 shares of common stock issuable upon the exercise of warrants at an exercise price of \$10.25 per share (subject to certain anti-dilution adjustments) reserved for issuance to the Treasury under the CPP.

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RISK FACTORS

An investment in shares of our common stock is subject to certain risks. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment. Before you decide to invest in our common stock, you should consider the risk factors below relating to the offering as well as the risk factors described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009 incorporated by reference into this prospectus supplement and the accompanying prospectus.

Risks Related to the Offering

The price of our common stock may fluctuate significantly, and this may make it difficult for you to resell shares of common stock owned by you at times or at prices you find attractive.

The trading price of our common stock may fluctuate significantly as a result of a number of factors, many of which are outside our control. In addition, the stock market is subject to fluctuations in the share prices and trading volumes that affect the market prices of the shares of many companies. These broad market fluctuations have adversely affected and may continue to adversely affect the market price of our common stock. Among the factors that could affect our stock price are:

actual or anticipated quarterly fluctuations in our operating results and financial condition;

changes in financial estimates or publication of research reports and recommendations by financial analysts or actions taken by rating agencies with respect to our securities or those of other financial institutions;

failure to meet analysts' revenue or earnings estimates;

speculation in the press or investment community generally or relating to our reputation or the financial services industry;

strategic announcements or actions by us or our competitors regarding acquisitions, restructurings, dispositions, financings or other material events;

actions by our current shareholders, including sales of common stock by existing shareholders and/or directors and executive officers;

fluctuations in the stock price and operating results of our competitors;

future sales of our equity or equity-related securities;

changes in the frequency or amount of dividends or share repurchases;

proposed or adopted regulatory changes or legislative developments that involve or affect or may involve or affect our industry generally or our business and operations specifically;

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anticipated or pending investigations, proceedings, or litigation that involve or affect us;

domestic and international economic factors unrelated to our performance; or

general market conditions and, in particular, developments related to market conditions for the financial services industry. The stock markets in general have experienced substantial price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations have in the past and may in the future adversely affect the trading price of our common stock.

There may be future sales or other dilution of our equity, which may adversely affect the market price of our common stock.

Except as described in Underwriting, we are not restricted from issuing additional common stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive,

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common stock. The issuance of any additional shares of common stock or preferred stock or securities convertible into, exchangeable for or that represent the right to receive common stock or the exercise of such securities could be substantially dilutive to shareholders of our common stock. Holders of our shares of common stock have no preemptive rights that entitle holders to purchase their pro rata share of any offering of shares of any class or series. The market price of our common stock could decline as a result of this offering, other capital raising strategies, sales of shares of our common stock or other securities made after this offering or the perception that such sales could occur. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our shareholders bear the risk of our future offerings reducing the market price of our common stock and diluting their stock holdings in us.

In connection with our participation in the CPP, in addition to the issuance of our Series A Preferred Stock, we issued a Warrant representing the right (subject to anti-dilution adjustment) to purchase 5,509,756 shares of our common stock to the Treasury at an exercise price of \$10.25 per share. The Warrant expires 10 years from the issuance date, and Fulton Financial has provided the Treasury with registration rights covering the Warrant and the underlying shares of common stock. Upon redemption of the Series A Preferred Stock, we currently plan to repurchase the Warrant at a price to be negotiated, though we may not decide or be able to do so; and if we do not repurchase the Warrant, the Treasury could either exercise the Warrant or sell it to third parties. The issuance of additional shares of common stock as a result of exercise of this Warrant or the issuance of convertible securities would dilute the ownership interest of our existing common shareholders. In addition, we have in the past and will likely in the future issue stock options, convertible preferred stock, convertible debentures and/or other securities that may have a dilutive effect on our common stock. The market price of our common stock could decline as a result of this offering, other capital raising strategies or other sales of a large block of shares of our common stock or similar securities in the market after this offering, or the perception that such sales could occur.

In addition, if we issue additional shares, including options, warrants, preferred stock or other convertible securities, in the future to acquired entities and their equity holders, our business associates, or other strategic partners or in follow-on public or private offerings, the newly issued shares will further dilute your percentage ownership of our company.

If you purchase our common stock in this offering, you may incur immediate and substantial dilution in the book value of your shares.

If you purchase shares in this offering, the value of your shares based on our actual book value will immediately be less than the offering price you paid. As a result, investors purchasing stock in this offering may receive significantly less than the purchase price paid in this offering in the event of liquidation.

There can be no assurance as to if or when the Series A Preferred Stock can be redeemed or if or when the related Warrant can be repurchased.

We intend to use the net proceeds of this offering, together with other funds, to redeem the Series A Preferred Stock we issued to the Treasury as part of the Treasury's CPP at such time as our banking regulators authorize and the Treasury formally approves as described in Use of Proceeds. In order to do so, we must establish that we have satisfied all conditions set forth by the Treasury for such redemption and must obtain approval of the Treasury. There can be no assurance as to if or when such approvals will be granted or if or when the Series A Preferred Stock can be redeemed and if or when the Warrant can be repurchased, if at all. Until such time as the Series A Preferred Stock is redeemed, we will remain subject to the terms and conditions of the CPP and related documents, which, among other things, require us to obtain regulatory approval to pay dividends on our common stock in excess of \$0.15 per share and, with limited exceptions, to repurchase shares of our common stock. Further, our continued participation in the CPP subjects us to increased regulatory and legislative

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oversight, including with respect to executive compensation. These and any future oversight or legal requirements or implementing standards under the CPP may have unforeseen or unintended adverse effects on the financial services industry as a whole, and particularly on CPP participants such as ourselves.

You may not receive dividends on the common stock.

We are a holding company that conducts substantially all of our operations through our banks and other subsidiaries. As a result, our ability to make dividend payments on the common stock depends primarily upon the results of operations of such subsidiaries and on certain federal and state regulatory considerations and the receipt of dividends and other distributions from our subsidiaries. See We are a holding company and rely on dividends from our subsidiaries for substantially all of our revenue and our ability to make dividends, distributions and other payments below.

Holders of our common stock are only entitled to receive such dividends as our board of directors may declare out of funds legally available for such payments. During times of financial or market stress, which may adversely impact earnings or alternative methods of raising capital, we may be required or may deem it prudent to reduce dividends on our common stock in order to build or conserve capital. Holders of our common stock are also subject to the prior dividend rights of holders of our preferred stock at any time outstanding.

As noted above, under the terms of the Series A Preferred Stock held by the Treasury, our ability to declare or pay dividends on our common stock will be subject to restrictions in the event that we fail to declare and pay (or set aside for payment) full dividends on the Series A Preferred Stock. In addition, prior to December 23, 2011, unless we have redeemed all of the Series A Preferred Stock or the Treasury has transferred all of the Series A Preferred Stock to third parties, the consent of the Treasury will be required for us to, among other things, increase our quarterly common stock dividend above \$0.15 per share, except in limited circumstances.

Although we have historically declared cash dividends on our common stock, we are not required to do so. We have in the past and may in the future further reduce or eliminate our common stock dividend to further preserve capital in light of the challenges facing the banking industry and regulatory constraints or for other reasons. Any such reduction or elimination could also adversely affect the market price of our common stock. In determining the amount of any future dividends, our board of directors will consider economic and market conditions, our financial condition and operating results and other factors, including contractual restrictions and applicable governmental regulations and policies (such as those relating to the ability of bank and non-bank subsidiaries to pay dividends to the parent company).

We are a holding company and rely on dividends from our subsidiaries for substantially all of our revenue and our ability to make dividends, distributions and other payments.

We are a separate and distinct legal entity from our banking and nonbanking subsidiaries, and depend on the payment of dividends from our subsidiaries, principally our banking subsidiaries, for substantially all of our revenues. As a result, our ability to make dividend payments on our common stock depends primarily on certain federal and state regulatory considerations and the receipt of dividends and other distributions from our subsidiaries. There are various regulatory and prudential supervisory restrictions, which may change from time to time, on the ability of our banking subsidiaries to pay dividends or make other payments to us. For additional information regarding the regulatory restrictions applicable to us and our subsidiaries, see Item 1. Business Supervision and Regulation in our Annual Report on Form 10-K for the year ended December 31, 2009, which is incorporated by reference herein.

If, in the opinion of the applicable regulatory authority, a bank under its jurisdiction is engaged in or is about to engage in an unsafe or unsound practice, such authority may require, after notice and hearing, that such bank cease and desist from such practice. Depending on the financial condition of our banking subsidiaries, the applicable regulatory authority might deem us to be engaged in an unsafe or unsound practice if our banking

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subsidiaries were to pay dividends. The Federal Reserve and the Office of the Comptroller of the Currency have issued policy statements generally requiring insured banks and bank holding companies only to pay dividends out of current operating earnings. Last year, the Federal Reserve released a supervisory letter advising bank holding companies, among other things, that as a general matter a bank holding company should inform the Federal Reserve and should eliminate, defer or significantly reduce its dividends if (1) the bank holding company's net income available to shareholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividends, (2) the bank holding company's prospective rate of earnings is not consistent with the bank holding company's capital needs and overall current and prospective financial condition, or (3) the bank holding company will not meet, or is in danger of not meeting, its minimum regulatory capital adequacy ratios.

The common stock is equity and therefore is subordinate to our existing and future indebtedness and preferred stock and effectively subordinated to all the indebtedness and other non-common equity claims against our subsidiaries.

Shares of the common stock are equity interests in us and do not constitute indebtedness. As such, shares of our common stock will rank junior to all of our current and future indebtedness and to other non-equity claims against us and our assets available to satisfy claims against us, including in the event of liquidation. Additionally, holders of our common stock are subject to the prior dividend and liquidation rights of holders of the Series A Preferred Stock or other preferred stock that we may issue in the future.

We may make additional offerings of debt securities, including medium-term notes, trust preferred securities and senior or subordinated notes. In addition, our board of directors is authorized to issue additional classes or series of preferred stock without any action on the part of the holders of our common stock. If we issue preferred stock in the future that has a preference over our common stock with respect to the payment of dividends or upon our liquidation, dissolution, or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of holders of our common stock could be adversely affected.

Furthermore, if any of our subsidiaries becomes insolvent, the direct creditors of that subsidiary will have a prior claim on its assets. Our right to participate in any distribution of assets of any of our subsidiaries upon its liquidation or otherwise, and thus your ability as a holder of the common stock to benefit indirectly from such distribution, will be subject to the prior claims of creditors of such subsidiary, except to the extent that any of our claims as a creditor of such subsidiary may be recognized. As a result, our common stock is effectively subordinated to all existing and future liabilities and obligations of our subsidiaries.

Anti-takeover provisions could negatively impact our shareholders.

Provisions of Pennsylvania law and of our Amended and Restated Articles of Incorporation and Bylaws could make it more difficult for a third party to acquire control of us or have the effect of discouraging a third party from attempting to acquire control of us. Our Amended and Restated Articles of Incorporation and Bylaws include certain provisions which may be considered to be anti-takeover in nature because they may have the effect of discouraging or making more difficult the acquisition of control over us by means of a hostile tender offer, exchange offer, proxy contest or similar transaction. These provisions are intended to protect our shareholders by providing a measure of assurance that our shareholders will be treated fairly in the event of an unsolicited takeover bid and by preventing a successful takeover bidder from exercising its voting control to the detriment of the other shareholders. However, the anti-takeover provisions set forth in our Amended and Restated Articles of Incorporation and Bylaws, taken as a whole, may discourage a hostile tender offer, exchange offer, proxy solicitation or similar transaction relating to our common stock. To the extent that these provisions actually discourage such a transaction, holders of our common stock may not have an opportunity to dispose of part or all of their stock at a higher price than that prevailing in the market. In addition, these provisions make it more difficult to remove, and thereby may serve to entrench, our incumbent directors and officers, even if their removal would be regarded by some shareholders as desirable.

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Increases in FDIC insurance premiums may adversely affect our earnings.

In response to the impact of economic conditions since 2008 on banks generally and on the FDIC deposit insurance fund, the FDIC changed its risk-based assessment system and increased base assessment rates. In addition, on November 12, 2009, the FDIC adopted a rule requiring banks to prepay three years' worth of premiums to replenish the depleted insurance fund. A change in the risk categories applicable to our bank subsidiaries, further adjustments to base assessment rates and any special assessments could have a material adverse effect on our earnings, financial condition and results of operation and may adversely affect the market price of our common stock.

Proposed legislative and regulatory reforms may, if enacted or adopted, have a significant impact on our business and results of operations.

Recent events in the financial services industry and, more generally, in the financial markets and the economy, have led to various proposals for changes in the regulation of the financial services industry. In 2009, separate comprehensive financial reform bills were introduced in both houses of Congress. On December 11, 2009, the U.S. House of Representatives passed the Wall Street Reform and Consumer Protection Act of 2009, and similarly comprehensive legislation is pending in the U.S. Senate. It remains uncertain whether, and in what form, any legislation passed by Congress may ultimately be implemented, and enactment of any legislation could have an adverse effect on our business and results of operations and may adversely affect the market price of our common stock.

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USE OF PROCEEDS

We estimate that the net proceeds of this offering will be approximately \$226.4 million (or approximately \$260.4 million if the underwriter exercises its option to purchase additional shares in full), after deduction of underwriting discounts and commissions and expenses payable by us.

We intend to use the net proceeds of this offering, together with other funds, to redeem all of the 376,500 shares of our Series A Preferred Stock we issued to the Treasury as part of the Treasury's CPP for a total purchase price of \$376.5 million at such time as our banking regulators authorize and the Treasury formally approves. If permitted to do so, we expect to fund any such redemption with the net proceeds of this offering and other available funds. There can be no assurance that the Treasury will approve our application to redeem the Series A Preferred Stock. If the Treasury does not approve our application with respect to the Series A Preferred Stock redemption, we will use the net proceeds of this offering for general corporate purposes, which may include contributing some portion of the net proceeds to the capital of our subsidiaries, which would use such amount for their general corporate purposes.

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Our common stock is listed and traded on the Nasdaq under the symbol FULT. The following table sets forth, for the quarters shown, the high and low sales prices of our common stock on the Nasdaq and the cash dividends declared per share on our common stock. As of April 23, 2010, we had approximately 176,594,254 shares of common stock outstanding (excluding treasury shares) and as of March 31, 2010 we had approximately 49,000 holders of our common stock. The last reported sales price of our common stock on the Nasdaq on April 29, 2010 was \$11.05 per share.

	High	Low	Dividends Declared
2010			
Second quarter (through April 29, 2010)	\$ 11.75	\$ 10.20	(1)
First quarter	10.57	8.33	0.03
2009			
Fourth quarter	9.00	6.77	0.03
Third quarter	8.00	4.72	0.03
Second quarter	7.93	4.75	0.03
First quarter	10.05	5.09	0.03
2008			
Fourth quarter	13.04	7.89	0.15
Third quarter	17.00	7.35	0.15
Second quarter	13.66	10.03	0.15
First quarter	13.69	9.83	0.15

(1) The dividend we announced during the first quarter of 2010 was paid on April 15, 2010. We have not yet declared or announced our next dividend payment.

DIVIDEND POLICY

The payment of future dividends is subject to the discretion of our board of directors, which will consider, among other factors, our operating results, overall financial condition, credit-risk considerations and capital requirements, as well as general business and market conditions and provisions of Pennsylvania law. After consideration of these factors, we reduced our quarterly common stock dividend to \$0.03 per common share, effective with the dividend declared on January 22, 2009. The Federal Reserve, in its expectation that a bank holding company act as a source of financial strength to its subsidiary banks, has reiterated the requirement to inform and consult with the Federal Reserve before paying dividends that could raise safety and soundness concerns. Due to our participation in the CPP, prior to December 23, 2011, unless we have redeemed all of the Series A Preferred Stock or the Treasury has transferred all of the Series A Preferred Stock to third parties, the consent of the Treasury would be required for us to, among other things, increase our quarterly common stock dividend above \$0.15 per share except in limited circumstances.

Dividends from our subsidiaries are the primary source of funds for payment of dividends to our shareholders and there are statutory limits on the amount of dividends that such subsidiaries can pay to us without regulatory approval. Dividend limitations vary, depending on the subsidiary bank's charter and whether or not it is a member of the Federal Reserve System. See Description of Capital Stock Common Stock General. Generally, subsidiaries are prohibited from paying dividends when doing so would cause them to fall below the regulatory minimum capital levels. Additionally, limits may exist on paying dividends in excess of net income for specified periods. Under such limitations, the total amount available for payment of dividends by subsidiary banks was approximately \$212 million as of December 31, 2009.

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DESCRIPTION OF CAPITAL STOCK

We are authorized to issue a total of 610,000,000 shares of all classes of capital stock, of which:

600,000,000 shares are designated as common stock, par value \$2.50 per share, 176,594,254 of which were outstanding as of April 23, 2010 (excluding treasury shares, shares reserved for issuance upon exercise of options or warrants or conversion of convertible securities and shares available for issuance under employee benefit plans); and

10,000,000 shares are designated as preferred stock, of which 376,500 shares are designated as Fixed Rate Cumulative Perpetual Preferred Stock, Series A, and the remainder are authorized but unissued.

The following description of the terms of our capital stock is only a summary. For a complete description, we refer you to the Pennsylvania Business Corporation Law, or PBCL, our Amended and Restated Articles of Incorporation and our Bylaws.

Common Stock

General

The holders of our common stock are entitled to one vote per share on all matters submitted to a vote of the shareholders and may not cumulate their votes for the election of directors. Each share of our common stock is entitled to participate on an equal pro rata basis in dividends and other distributions. The holders of our common stock do not have preemptive rights to subscribe for additional shares that may be issued by us, and no share is entitled in any manner to any preference over any other share. Fulton Financial Advisors, a division of Fulton Bank, N.A., serves as the transfer agent for our common stock.

The holders of our common stock are entitled to receive dividends when, as and if declared by the board of directors out of funds legally available. We have in the past paid quarterly cash dividends to our shareholders on or about the 15th day of January, April, July and October of each year. Our ability to pay dividends to our shareholders is dependent primarily upon the earnings and financial condition of Fulton Financial and our subsidiary banks. Funds for the payment of dividends on our common stock are expected for the foreseeable future to be obtained primarily from dividends paid to us by our bank subsidiaries, which dividends are subject to certain statutory limitations, described below:

Pennsylvania State Chartered Banks	Lafayette Ambassador Bank	may pay dividends only out of accumulated net earnings and may not declare or pay any dividend requiring a reduction of the statutorily required surplus of the institution
National Banks	Swineford National Bank, FNB Bank, N.A., Delaware National Bank and Fulton Bank, N.A.	the approval of the Office of the Comptroller of the Currency is required under federal law if the total of all dividends declared during any calendar year would exceed the net profits of the bank for the year, combined with its retained net profits for the two preceding calendar years calculated in accordance with 12 U.S.C. § 60(b)

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Maryland Commercial Bank	The Columbia Bank	may only declare a cash dividend from its undivided profits or (with the prior approval of the Commissioner of Financial Regulation) from its surplus in excess of 100% of its required capital stock, in each case after providing for due or accrued expenses, losses, interest and taxes. In addition, if The Columbia Bank's surplus becomes less than 100% of its required capital stock, The Columbia Bank may not declare or pay any cash dividends that exceed 90% of its net earnings until its surplus becomes 100% of its required capital stock
New Jersey Banks	The Bank and Skylands Community Bank	may not declare or pay any dividends which would impair their capital stock or reduce their surplus to a level of less than 50% of their capital stock or if the surplus is currently less than 50% of the capital stock, the payment of such dividends would not reduce the surplus of the bank

In addition to the foregoing statutory restrictions on dividends, state banking regulations (with respect to state-chartered banks), the FDIC (with respect to state-chartered banks that are not members of the Federal Reserve System, such as Skylands Community Bank, The Bank and The Columbia Bank), the Federal Reserve Board (with respect to state-chartered banks that are members of the Federal Reserve System, such as Lafayette Ambassador Bank), and the Office of the Comptroller of the Currency (with respect to national banks such as Swineford National Bank, FNB Bank, N.A., Delaware National Bank and Fulton Bank, N.A.), also have adopted minimum capital standards and have broad authority to prohibit a bank from engaging in unsafe or unsound banking practices. Specifically, a member bank may not pay a dividend in excess of its net income less dividends declared, plus the prior two years net income, less dividends declared during the prior two years. The payment of a dividend by a bank could, depending upon the financial condition of the bank involved and other factors, be deemed to impair its capital or to be an unsafe or unsound practice.

Anti-takeover Provisions

Our Amended and Restated Articles of Incorporation and Bylaws include certain provisions which may be considered to be anti-takeover in nature because they may have the effect of discouraging or making more difficult the acquisition of control over us by means of a hostile tender offer, exchange offer, proxy contest or similar transaction. These provisions are intended to protect our shareholders by providing a measure of assurance that our shareholders will be treated fairly in the event of an unsolicited takeover bid and by preventing a successful takeover bidder from exercising its voting control to the detriment of the other shareholders. However, the anti-takeover provisions set forth in our Amended and Restated Articles of Incorporation and Bylaws, taken as a whole, may discourage a hostile tender offer, exchange offer, proxy solicitation or similar transaction relating to our common stock. To the extent that these provisions actually discourage such a

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transaction, holders of our common stock may not have an opportunity to dispose of part or all of their stock at a higher price than that prevailing in the market. In addition, these provisions make it more difficult to remove, and thereby may serve to entrench, our incumbent directors and officers, even if their removal would be regarded by some shareholders as desirable.

The provisions in our Amended and Restated Articles of Incorporation which may be considered to be anti-takeover in nature include the following:

a provision that provides for substantial amounts of authorized but unissued capital stock, including a class of preferred stock whose rights and privileges may be determined prior to issuance by our board of directors;

a provision that does not permit shareholders to cumulate their votes for the election of directors;

a provision that requires a greater than majority shareholder vote in order to approve certain business combinations and other extraordinary corporate transactions;

a provision that establishes criteria to be applied by the board of directors in evaluating an acquisition proposal;

a provision that requires a greater than majority shareholder vote in order for the shareholders to remove a director from office without cause;

a provision that prohibits the taking of any action by the shareholders without a meeting and eliminates the right of shareholders to call a special meeting;

a provision that limits the right of the shareholders to amend the Bylaws; and

a provision that requires, under certain circumstances, a greater than majority shareholder vote in order to amend the Amended and Restated Articles of Incorporation.

The provisions of our Bylaws which may be considered to be anti-takeover in nature include the following:

a provision that limits the permissible number of directors; and

a provision that requires advance written notice as a precondition to the nomination of any person for election to the board of directors, other than in the case of nominations made by existing management.

As a Pennsylvania business corporation and a corporation whose common stock is registered under the Exchange Act, we are subject to, and may take advantage of the protections of, the anti-takeover provisions of the Pennsylvania Business Corporation Law of 1988, as amended. These anti-takeover provisions, which are designed to discourage the acquisition of control over a targeted Pennsylvania business corporation, include:

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a provision whereby the directors of the corporation, in determining what is in the best interests of the corporation, may consider factors other than the economic interests of the shareholders, such as the effect of any action upon other constituencies, including employees, suppliers, customers, creditors and the community in which the corporation is located;

a provision that permits shareholders to demand that a controlling person pay to them the fair value of their shares in cash upon a change in control;

a provision that restricts certain business combinations unless there is prior approval by the directors or a supermajority of the shareholders;

a provision permitting a corporation to adopt a shareholder rights plan;

a provision denying the right to vote to a person who acquires a specified percentage of stock ownership unless those voting rights are restored by a vote of disinterested shareholders; and

a provision requiring a person who acquires control shares, which are described in the previous sentence, to disgorge to the corporation all profits from the sale of equity securities within eighteen months thereafter.

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Corporations may elect to opt out of any or all of these anti-takeover provisions of the Pennsylvania corporate law. We have not elected to opt out of any of the protections provided by the anti-takeover statutes.

In addition, prior to our 2009 annual meeting, our Bylaws provided that our directors be divided into three classes, with each director holding office for a term of three years and until such director's successor is duly elected and qualified. On December 18, 2007, the board of directors amended our Bylaws to eliminate the classified board of directors. Beginning at the 2011 annual meeting, all of the members of our board of directors will be elected annually for one-year terms.

Existence of the above provisions could result in our being less attractive to a potential acquirer, or result in our shareholders receiving less for their shares of common stock than otherwise might be available if there is a takeover attempt.

The ability of a third party to acquire us is also limited under applicable banking regulations. The BHC Act requires any bank holding company (as defined therein) to obtain the approval of the Federal Reserve prior to acquiring, directly or indirectly, more than 5% of our outstanding common stock. Any person other than a bank holding company is required to provide notice to the Federal Reserve prior to acquiring, directly or indirectly, 10% or more of our outstanding common stock under the Change in Bank Control Act of 1978, as amended. Any holder of 25% or more of our outstanding common stock, other than an individual, is subject to regulation as a bank holding company under the BHC Act. Furthermore, while we do not have a shareholder rights plan currently in effect, under Pennsylvania law, our board o