

SOUND PRINCIPLES.
SOLID FOUNDATION.

Fulton Financial Corporation
2008 Annual Report

“I WANT TO ASSURE YOU OF MY CONFIDENCE
in the ability of this company and its people
to meet every challenge that comes our way-
and in our ability to emerge successfully
from this difficult economic environment.”

R. SCOTT SMITH, JR.
Chairman and Chief Executive Officer

*Left: R. Scott Smith, Jr.
Chairman and Chief Executive Officer*

*Right: E. Philip Wenger
President and Chief Operating Officer*



Dear Shareholder,

Last year at this time, my message to shareholders focused on our company's commitment to maintaining both a sharp focus on the issues at hand and, at the same time, a broad perspective on the environment in which we operate.

Over the past year, we have had many opportunities to appreciate the value of this dual viewpoint, as our company, our industry and our nation faced constant challenges, setbacks, and changes.

Fulton Financial Corporation's 2008 performance was a disappointment to me, to our senior management team and to our shareholders. We ended the year with a loss of three cents per diluted share, after battling an ongoing tide of worldwide market declines, U.S. economic softness, upheaval in the banking industry and several events that impacted our performance. This is not the type of performance that we have historically delivered for our shareholders.

The yearlong market retreat prompted write-downs in our investment portfolio, while mounting challenges in the credit market necessitated an increase in our loan loss allowance. We recorded an earnings charge related to auction rate certificates (ARCs) held in certain customer accounts of the Corporation's investment management and trust services subsidiary, Fulton Financial Advisors. Maryland real estate sector difficulties contributed to goodwill impairment at our most recent acquisition, The Columbia Bank; indeed, it was a difficult year for all of our affiliates to meet our performance expectations.



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

*As so often happens in life,
with change comes opportunity.*

We have confronted every challenge we faced decisively, taking what we believe to be the appropriate steps to respond to each one. However, much of our success in regaining our earnings momentum will be contingent on the timing and the strength of a rebound in the economy. That is why we will continue to focus sharply on the issues at hand while maintaining a broader perspective that will enable us to manage this company through the current economic environment with the goal of emerging stronger once the economy improves.

We have worked to do our part to support the federal government's efforts to stabilize and stimulate the economy, and a number of new initiatives are already benefiting our customers and our communities.

We welcomed federal initiatives, which were undertaken to strengthen confidence and encourage liquidity in the banking system by increasing FDIC deposit insurance levels through December 2009.

We also chose to participate in the U.S. Treasury's Capital Purchase Program, which was designed specifically for healthy institutions. Our current total risk-based capital ratio exceeds the regulatory definition of a well-capitalized institution.

Participation in the Treasury program further strengthens our already strong capital position, giving us additional capacity to make loans to credit-worthy borrowers in the markets we serve.

Recent stories have appeared in the news media regarding banks' accountability for lending these Capital Purchase Program funds. As a family of community banks, we know how important both the retail and business sectors will be to providing the necessary impetus for economic growth in our markets. And while our best intentions will not create loan demand where it does not exist, our objective, through targeted marketing and promotional programs, is to create greater opportunity for quality loan growth.

As so often happens in life, with change comes opportunity. This company is built on sound principles and a solid foundation, and these underpinnings have served our company well since our lead bank was founded back in 1882. We have used these sound principles and solid foundation not only to steady us through these difficult times, but also to help us pursue opportunities that position us well for future success when the economy strengthens.

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

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



We have taken the opportunity to examine our company as never before, making honest evaluations and challenging decisions, seeking in every case to optimize customer experience and minimize cost. This evaluation led to our decision to consolidate our three Maryland banks. As Hagerstown Trust and The Peoples Bank of Elkton become divisions of The Columbia Bank, we will leverage existing brand awareness over a broader geographic footprint.

Our company-wide “lean” initiatives are well underway, helping us to identify and eliminate processes that do not create value for our customers or our shareholders. As I related to you a year ago, we are taking a more creative, flexible approach to how we do things – without altering our conservative philosophy and established principles. Finding better, smarter ways to work has generated value for our customers, and since we began the “lean” initiatives, operational improvements have helped us realize more than \$2 million in savings. Our work on this initiative will continue to be a priority.

Although the past year’s atypical market conditions have been disruptive, they have also presented an opportunity for us to shift the focus of our investment management and trust services business from a shorter-term revenue horizon to a longer-term approach that is more relationship-driven. In the currently depressed equities market, we see potential for considerable future growth; accordingly, we are attracting talent and aligning our brokerage capabilities to realize that upside potential when the time comes.

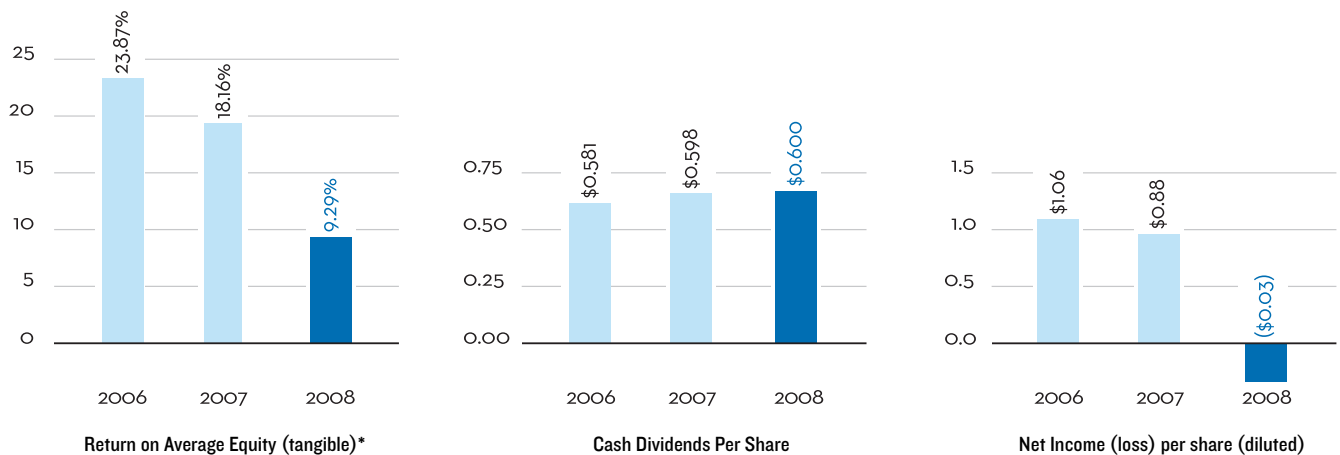
We also took the opportunity to increase the responsibilities of a member of our senior management team. In December, E. Philip Wenger was promoted to the position of president and chief operating officer of Fulton Financial Corporation. Most recently serving as senior executive vice president for community banking at Fulton Financial Corporation as well as chairman of Fulton Bank, Phil represents the principles that make our company strong. Starting in our management training program in 1979, his advancement exemplifies the opportunity available to someone who possesses, in addition to management skills, character, experience and dedication within our company.

I believe that the adversity we have faced together will serve to make us stronger, more resilient, more efficient and more productive in the future.

Another major initiative of 2008 was the internal refocusing and launch of our customer service promise. Through an intense company-wide commitment to “care, listen, understand and deliver,” all of our employees were able to develop ways that they, as individuals, departments and employee teams, could carry out this promise for internal and external customers. As part of this initiative, we have also launched a corporate recognition program to reward employees who deliver on our customer experience promise.

The momentum of our internal service promise launch was further fueled by a new generation of bank branding. Creative advertising is now gaining attention in each of the markets we serve, communicating our unique value proposition through use of the new tagline, “Listening is just the beginning.” While this branding creates a new level of efficiency, alignment and synergy across our 274-branch network, we have been careful to preserve the autonomy of our local banking affiliates. A strong sense of community has always been and will remain an important foundation of our core business strategy.

The current economic environment has prompted even the most seasoned experts to challenge conventional wisdom and long-held assumptions. In my role as one of twelve members of the Federal Advisory Committee, which advises the Federal Reserve Board of Governors, and as a member of the board of the American Bankers Association, I have had the unique opportunity to not only join in conversations with our nation’s leaders, but also to share firsthand with them the financial issues that are on the minds of our customers and our communities. I have been reassured to find that our policy makers in Washington, D.C., are well versed, intently focused and sincerely committed to strengthening the U.S. economy.



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

While no one can say with certainty when the economy will recover, I want to assure you of my confidence in the ability of this company and its people to meet every challenge that comes our way – and in our ability to emerge successfully from this difficult economic environment. Every day, I see our entire team pull together to overcome adversity, helping each other to accomplish more with fewer people while guiding our customers through what has been, for many, the most financially difficult time of their lives.

I believe that the adversity we have faced together will serve to make us stronger, more resilient, more efficient and more productive in the future. Your Board of Directors continues to perform an active, effective role in all of its governance responsibilities. We in senior management appreciate and value their guidance.

With the efforts of our Board, senior management, and the combined skills of our talented employees, we enter 2009 with resolve rather than retrenchment. Going forward, we will aggressively pursue quality growth. We will respond to any future challenges, just as we have to those in the past – swiftly and decisively. We will continue to invest in our brand, our technology, and our service promise. And we will support our very loyal employees, who have seen this company through good times and bad. The value of this company has always rested with them, and their hard work and commitment during these challenging times will see us through to brighter days ahead.

As a shareholder, we appreciate your investment in this company, and we look forward to once again being able to report the caliber of performance you have come to expect from Fulton Financial Corporation.

R. Scott Smith, Jr.

Chairman and Chief Executive Officer

FINANCIAL HIGHLIGHTS

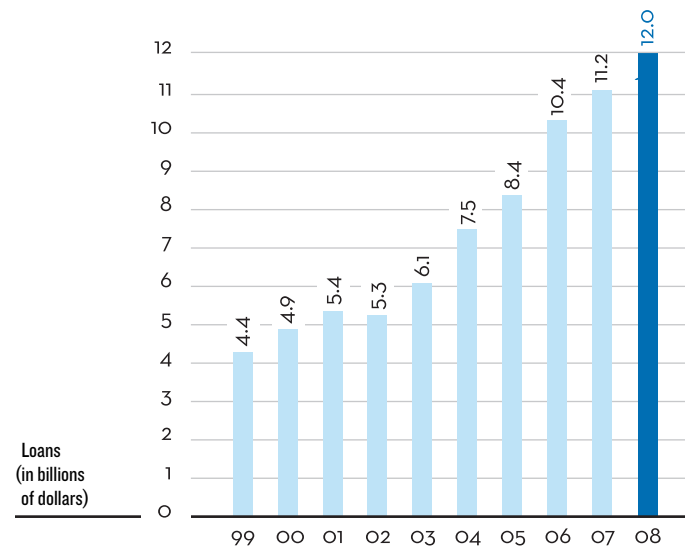
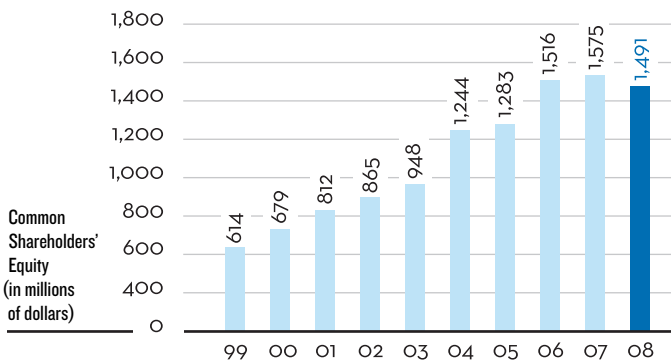
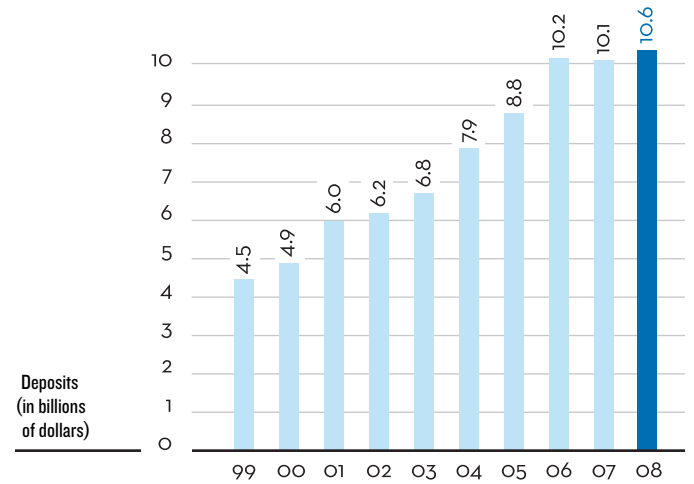
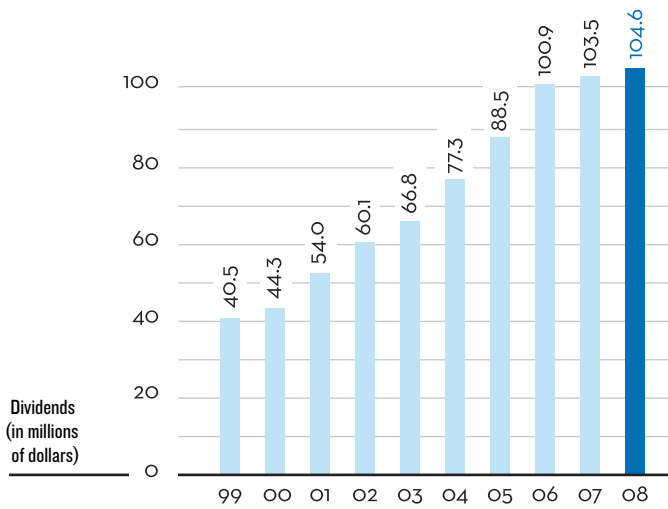
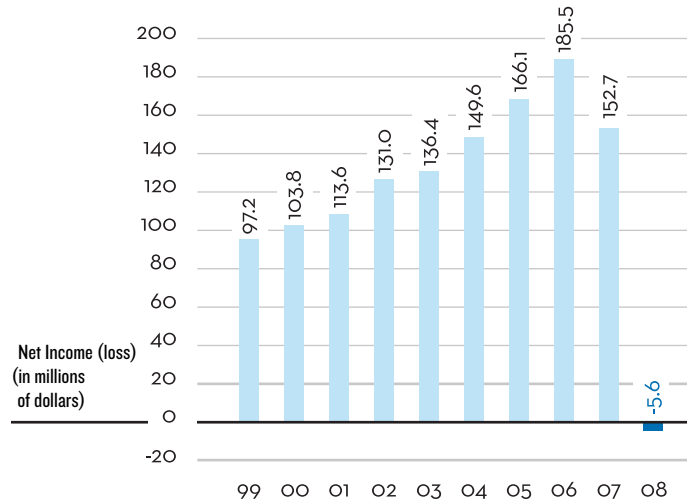
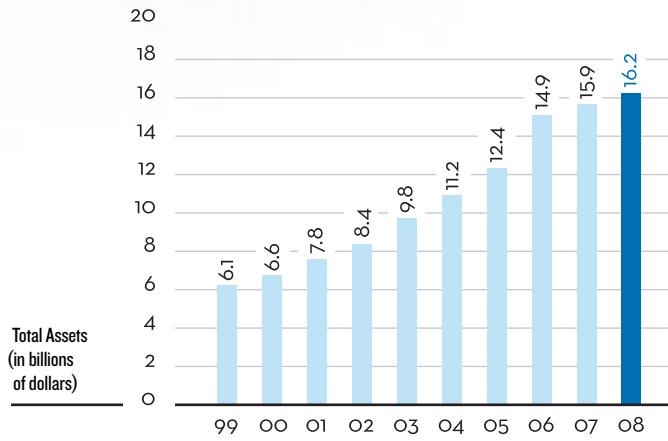
AS OF OR FOR THE YEAR ENDED DECEMBER 31

(Dollars in thousands, except per-share data)

BALANCE SHEET DATA	2008	2007	2006	Percent Change	
				2008/2007	2007/2006
Total assets	16,185,000	15,923,000	14,919,000	1.6%	6.7%
Loans, net of unearned income	12,043,000	11,204,000	10,374,000	7.5%	8.0%
Deposits	10,552,000	10,105,000	10,232,000	4.4%	(1.2%)
Common shareholders' equity	1,491,000	1,575,000	1,516,000	(5.3%)	3.9%
PER COMMON SHARE DATA					
Net income (loss) (diluted)	\$(0.03)	\$0.88	\$1.06	(103.4%)	(17.0%)
Cash dividends	0.600	0.598	0.581	0.3%	2.9%
Shareholders' equity (tangible)	5.33	5.30	4.91	0.6%	7.9%

10 YEARS IN REVIEW

(1999-2008)



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 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, N.A.
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, 2009 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 2009 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 Wednesday, April 29, 2009 at 10:00 a.m. in the Great American Hall of the Hershey Lodge and Convention Center, West Chocolate Avenue and University Drive, Hershey, PA. 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.

*A strong sense of community
has always been and will remain
an important foundation
of our core business strategy.*

SENIOR MANAGEMENT, DIRECTORS & ADVISORY BOARD MEMBERS

FULTON FINANCIAL CORPORATION SENIOR MANAGEMENT

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Chief Executive Officer*

E. Philip Wenger
*President and
Chief Operating Officer*

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*Senior Executive
Vice President/
Chief Financial Officer*

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

Craig H. Hill
*Senior Executive
Vice President/
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Elizabeth M. Wright

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P.O. Box 4887
Lancaster, PA 17604
1.800.FULTON4
www.fult.com

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Swineford National Bank
Lafayette Ambassador Bank
FNB Bank, N.A.
Hagerstown Trust
Delaware National Bank
The Bank
The Peoples Bank of Elkton
Skylands Community Bank
The Columbia Bank

Financial Services Subsidiaries:

Fulton Financial Advisors, N.A.
Dearden, Maguire,
Weaver and Barrett, LLC
Fulton Insurance Services Group

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