WE CHANGE LIVES FOR THE BETTER

FULTON FINANCIAL
CORPORATION

2024 ANNUAL REPORT

TRANSFORMATION & GROWTH

Dear Shareholder:

The past year has been one of strong performance as we advanced our strategy to grow the company, deliver effectively for customers, operate with excellence and serve all our stakeholders.

The extraordinary effort of our approximately 3,400 teammates drove significant growth across the company, in deposits, loans and fee income. We now serve more than 750,000 customers and continue to make a positive impact in local communities.

As part of our effort to grow the company, we completed the Republic First Bank transaction that accelerated our expansion in Greater Philadelphia and South Jersey.

Additionally, as part of our efforts to operate with excellence, we started implementing our FultonFirst transformation to simplify our operating model, focus on key strengths and enhance productivity.

I am grateful for the dedication of our team members who handled these significant opportunities while simultaneously working each day to help customers achieve their financial goals and change lives for the better in our local communities.

Strong Performance

For the year, we delivered net income available to common shareholders of $278.5 million, or $1.57 per diluted share, representing a return on average common equity of 9.83%. Total revenue exceeded $1.2 billion – a record for Fulton. We maintained solid capitalization while, at the same time, increasing total committed liquidity to over $9 billion.

In 2024, we declared quarterly common dividends of $0.69 per share, with one increase during the calendar year, ending the year with a dividend yielding 3.73%. The dividend, coupled with repurchasing over 1.9 million shares, returned over $150 million to common shareholders in 2024.

Strategic Expansion: Republic First Bank Transaction

In April 2024, we acquired substantially all of the assets and deposits of Republic First Bank, with locations throughout the Philadelphia region and southern New Jersey. This transaction accelerated our growth in the region by adding new customers and locations in a core growth market.

We now operate more than 60 financial centers and have over $8 billion in deposits across Greater Philadelphia and South Jersey.

Organizational Transformation: FultonFirst

Throughout 2024, we engaged in an enterprise-wide organizational transformation, called FultonFirst, to improve operational excellence and accelerate growth. We developed our plan around three fundamental themes:

- **Simplicity** in our operating model. We are simplifying our organizational structure and redesigning end-to-end processes to deliver a superior customer experience.
- **Focus** on our core relationships. We are making investments to differentiate Fulton in the marketplace and with customers that value a relationship-driven community bank.
- **Productivity** across the bank. We are working to enhance digital experiences and improve the speed and efficiency of our operations.

Business lines and departments across the company evaluated their operations through the lens of simplicity, focus and productivity and identified opportunities for greater effectiveness and efficiency.

2024 was a transformational year as we implemented new structures and processes that are designed to accelerate our growth and improve our scalability in the years to come.

Ultimately, FultonFirst represents a mindset centered on continuous improvement. We are committed to that mindset as we advance our strategy to grow the company, deliver effectively for customers, operate with excellence and serve all our stakeholders.

Thank you for your investment in Fulton as we pursue our purpose to ***change lives for the better!***

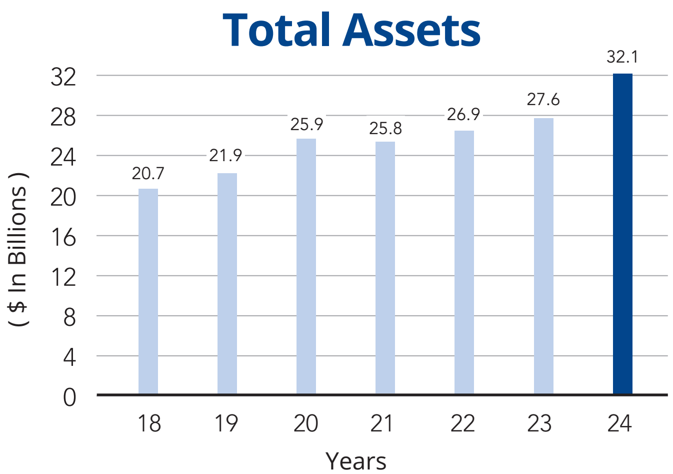
Curt Myers
CHAIRMAN AND CEO

This letter contains forward-looking statements with respect to Fulton Financial Corporation's ("FFC") 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, FFC's future financial performance, expected levels of future expenses, including future credit losses, anticipated growth strategies, descriptions of new business initiatives and anticipated trends in FFC's business or financial results.

Forward-looking statements are neither historical facts, nor assurance of future performance. Instead, the statements are based on current beliefs, expectations and assumptions regarding the future of FFC's 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 FFC's control, and actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not unduly rely on any of these forward-looking statements. FFC undertakes 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.

A discussion of certain risks and uncertainties affecting FFC, and some of the factors that could cause FFC's 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 FFC's Annual Report on Form 10-K for the year ended December 31, 2024, which accompanies this letter.

2018-2024 IN REVIEW

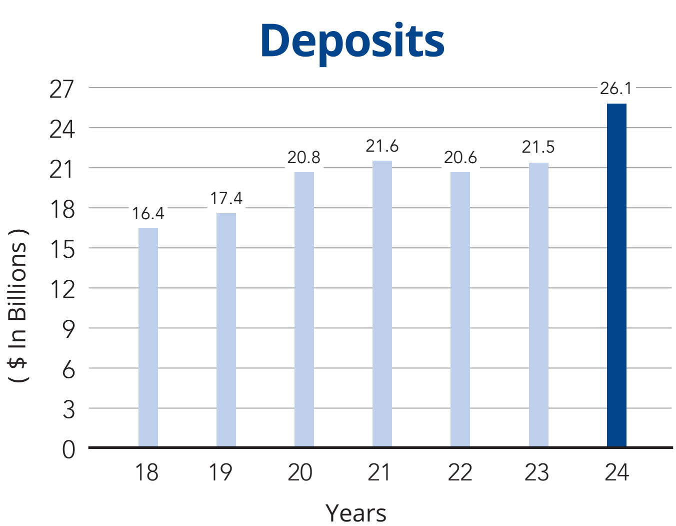


Total Assets Grew 16.3%

Driven by the benefits of the Republic First Bank transaction, additional on-balance-sheet liquidity, and moderating loan growth, total assets once again reached record highs.

Total Loans Grew 12.1%

We added $2.4 billion of retained outstanding loan balances in connection with the Republic First Bank transaction, offsetting modest declines in certain de-emphasized portfolios and other loan categories.



Total Deposits Grew 21.4%

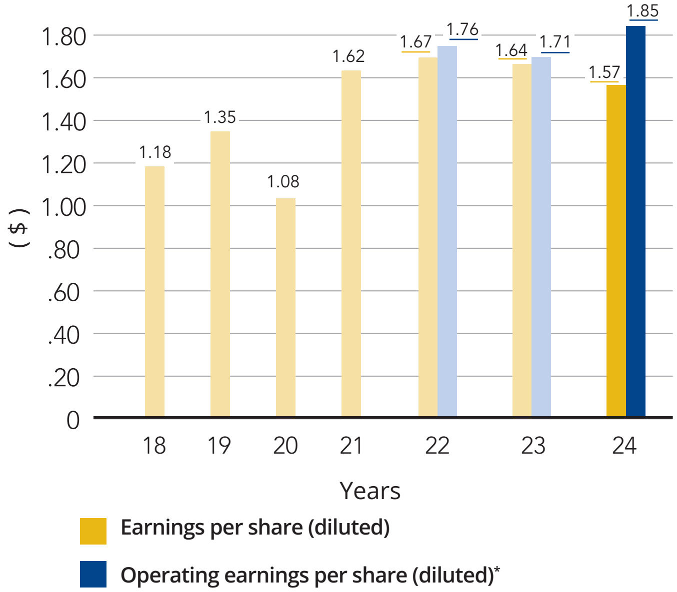
Deposit growth was strong in 2024. Organic growth was approximately $0.9 billion, supplemented by $3.7 billion in Republic First Bank deposits. Noninterest-bearing deposits comprised 21% of total deposits at year end. Our loan-to-deposit ratio of 92% at year end provides strategic flexibility.

Earnings per Share Impacted by Costs of Republic First Bank Transaction and FultonFirst

Diluted earnings per share of $1.57 was impacted by costs associated with the Republic First Bank transaction and the FultonFirst activities. A stable net interest margin, strong fee income, and initial benefits of FultonFirst contributed to a solid year. Operating earnings per share (diluted) of $1.85* represented an 8% increase over 2023 and a record for the company.

*Operating earnings per share (diluted) is a financial measure derived by methods other than generally accepted accounting principles ("GAAP"). This non-GAAP financial measure is reconciled to the most comparable GAAP measure on page 39 of our Annual Report on Form 10-K for the year ended December 31, 2024 contained in this Annual Report.

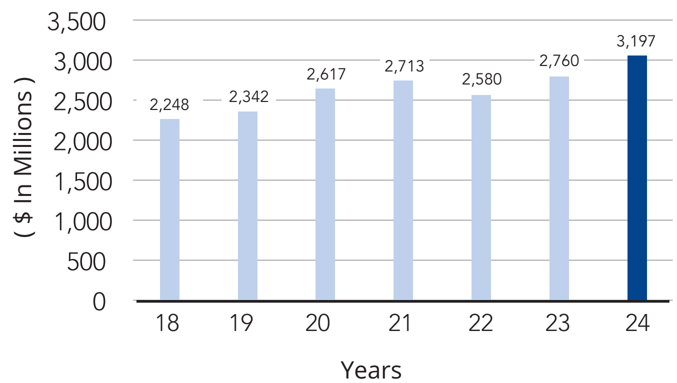
Earnings Per Share (Diluted)



Total Shareholders' Equity Grew 15.8%

Solid earnings driven by strong revenue growth, supplemented by an accretive capital raise, boosted total shareholder equity.

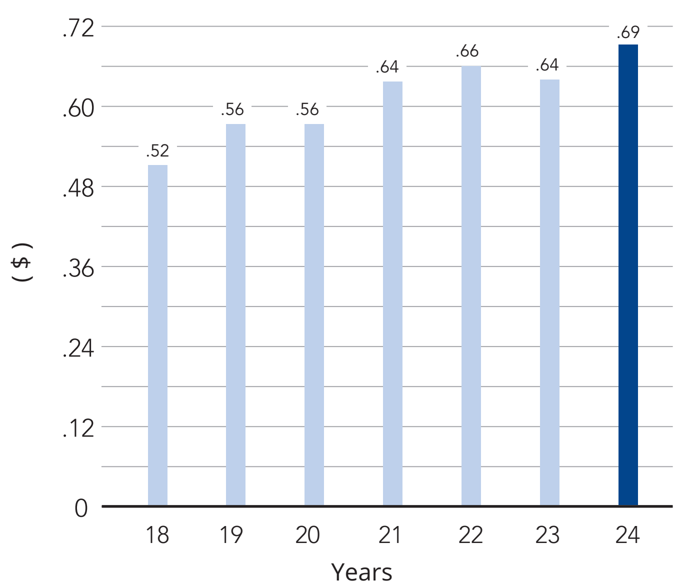
Total Shareholders' Equity



Common Dividends Declared Grew 7.8%

In 2024, the company declared common dividends of $0.69, a 7.8% increase over the prior year.

Common Dividends Per Share



OUR GROWING FOOTPRINT

PENNSYLVANIA

Financial Centers	113
Deposits[1]	$14,895,968
Market Share[2]	2.66%
Market Share Rank[3]	10

NEW JERSEY

Financial Centers	57
Deposits[1]	$7,494,238
Market Share[2]	1.62%
Market Share Rank[3]	12

DELAWARE

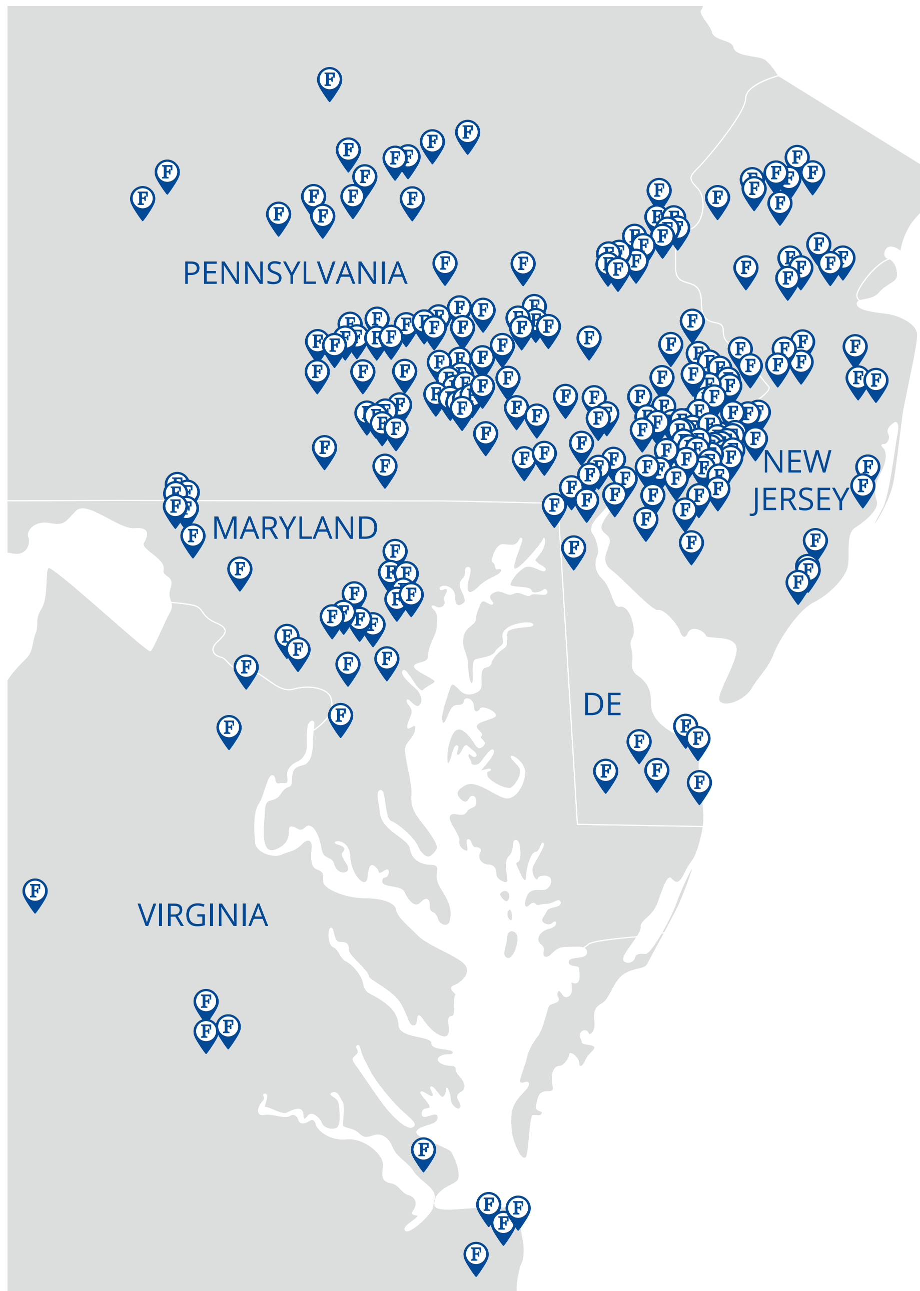
Financial Centers	12
Deposits[1]	$1,107,617
Market Share[2]	0.18%
Market Share Rank[3]	13

MARYLAND

Financial Centers	25
Deposits[1]	$2,159,454
Market Share[2]	1.13%
Market Share Rank[3]	16

VIRGINIA

Financial Centers	9
Deposits[1]	$472,157
Market Share[2]	0.20%
Market Share Rank[3]	46



[1]Dollars in thousands; internal allocations by state, unallocated deposits included in PA.
[2]Market Share as of June 30, 2024 FDIC Summary of Deposits.
[3]Market Share Rank as of June 30, 2024 FDIC Summary of Deposits.

EXECUTIVE OFFICERS AND BOARD OF DIRECTORS

As of December 31, 2024

FULTON FINANCIAL CORPORATION

EXECUTIVE MANAGEMENT

Curtis J. Myers
Chairman and CEO

Angela M. Snyder
President

Beth Ann L. Chivinski[1]
Senior Executive Vice President

Andy B. Fiol
Senior Executive Vice President/
Head of Consumer & Small Business

John J. Glover
Senior Executive Vice President/
Head of Commercial Banking

Richard S. Kraemer[2]
Senior Executive Vice President/
Chief Financial Officer

Natasha R. Luddington
Senior Executive Vice President/
Chief Legal Officer and
Corporate Secretary

Atul Malhotra
Executive Vice President/
Chief Risk Officer

Meg R. Mueller
Senior Executive Vice President/
Enterprise Credit Executive

Angela M. Sargent
Senior Executive Vice President/
Chief Information Officer

Karthik K. Sridharan[3]
Senior Executive Vice President/
Chief Operations and
Technology Officer

Bernadette M. Taylor
Senior Executive Vice President/
Chief Human Resources Officer

FULTON FINANCIAL CORPORATION

BOARD OF DIRECTORS

Curtis J. Myers, Chairman

Jennifer Craighead Carey

Lisa M. Crutchfield

Denise L. Devine

Steven S. Etter

George K. Martin

James R. Moxley III

Antoinette M. Pergolin

Scott A. Snyder

Ronald H. Spair

E. Philip Wenger

Fulton Bank

BOARD OF DIRECTORS

Curtis J. Myers, Chairman

Angela M. Snyder, President

Jennifer Craighead Carey

Lisa M. Crutchfield

Denise L. Devine

Steven S. Etter

Janice M. Hamby

Dolores A. Laputka

George K. Martin

James R. Moxley III

Antoinette M. Pergolin

Michael F. Shirk

Ivy E. Silver

Scott A. Snyder

Ronald H. Spair

E. Philip Wenger

[1]Ms. Chivinski served as Interim Chief Financial Officer from February 8, 2024 through October 31, 2024 and retired December 31, 2024.

[2]Mr. Kraemer became Chief Financial Officer on November 1, 2024.

[3]Mr. Sridharan separated from the company on January 31, 2025.

ADVISORY BOARD MEMBERS

As of December 31, 2024

MAJOR METROPOLITAN AREAS

BALTIMORE
Joe Durham, Chair
Anna Gavin
Kate E. Jordan
Terrence M. Sawyer
James R. Walsh
Cheryl Y. Washington
James K. Wilhelm Jr.

WASHINGTON DC
Joe Durham, Chair
John Hale III
Scott Lessne
Derek Whitwer
Darryl Wiggins

PHILADELPHIA
Andrew G. Agger, Chair
Gail Ball
Pauline W. Markey
Stephen D. Marshall
Mark R. Nicoletti Sr.

DELAWARE

DELAWARE/CECIL
Janet Dougherty, Co-Chair
Kim Lewis, Co-Chair
Kelly Albanese Bedder
Jeffrey M. Fried
Robert R. Houck
Nancy G. Michener
Chirag B. Patel

MARYLAND

HAGERSTOWN
Angel Connolly, Chair
Stephen L. Hummel
Bridgett F. Jones-Smith
Alfred E. Martin

NEW JERSEY

CENTRAL NEW JERSEY
Sean Murray, Chair
Rachel Lilienthal Stark
Allen Weiss
Michael D. Yarrow

NORTHERN NEW JERSEY
Sean Murray, Chair
Christopher S. Bateman
Julie C. Cooke
Steven A. Loeb
Gurpreet S. Pasricha
Dennis Pollack
Shelby C. Rhodes
Norman L. Worth

SOUTHERN NEW JERSEY
Andrew G. Agger, Chair
James R. Donnelly Jr.
Wanda P. Hardy
Traci H. Jordan
Terri L. Marakos
Edward Remster
Steven M. Swartz

PENNSYLVANIA

BRANDYWINE
Cheryl Brida, Chair
Harry DiDonato
Kenneth M. Goddu
John C. Hosier
James D. McLeod Jr.
Bruce Miller
Kathryn V. Snyder

BUXMONT
Johnathan Hoke, Chair
Robert A. Dick Jr.
Elmer F. Hansen III
Marylee Mundell, DO
Lawrence J. Stuardi

CAPITAL
Bryan Jones, Chair
Amy Beth Kaunas
Justin D. McClure
Beth A. Peiffer
Dr. Aditya Sharma
H. Ralph Vartan
Steven C. Wilds, Esq.

GREATER BERKS
Ralph Richard, Chair
Eric G. Burkey
Marcelino Colon
Robert F. Firely Jr.
Kristi Gage-Linderman

LANCASTER
Philip N. Smith, Chair
Galen Eby
Dean A. Hoover
Robert A. Hostetter
Louis G. Hurst
Cinthia M. Kettering
Tony Legenstein
Kent M. Martin
Edward W. Monborne
David W. Sweigart III
Harold W. Weik Jr.
J. David Young Jr., Esq.

LEBANON
Kristi Heller, Chair
Barry E. Ansel
Donald H. Dreibelbis
Robert J. Funk
Wendie DiMatteo Holsinger
Kenneth C. Sandoe

LEHIGH VALLEY
Doug Downing, Co-Chair
Ralph Richards, Co-Chair
Andrea L. Brady
Mohammed Arif Fazil
Nicholas C. Hindle
Murtaza Jaffer
Richard J. Principato
Loren Speziale

NORTHERN PENNSYLVANIA
Leslie Temple, Co-Chair
Heather Underkoffler, Co-Chair
Adanma C. Akujieze
Dr. Albert J. Alley, DO
Elizabeth A. Dupuis
Jeffrey M. Krauss
Matthew G. Markunas
Kevin M. McGarry
Thomas F. Songer III
Wendy S. Tripoli

YORK
John Eyster, Chair
Craig Aiello
Vernon L. Bracey
Kevin Eisenhart
Jeffrey L. Rehmeyer II
Gary A. Stewart Jr.

VIRGINIA

CENTRAL VIRGINIA
Darrick Wickre, Chair
Carlos M. Brown
Robert H. Keiter
Laura D. Lafayette
J. Keith Middleton

HAMPTON ROADS
Darrick Wickre, Chair
Joanna Brumsey
Jarryd A. Carver
James W. Noel III

SPECIALIZED

AGRICULTURAL
Ted Bowers, Chair
Robert N. Barley
Phoebe R. Bitler
Andrew S. Bollinger
Dwight Hess
Charles A. Hoober
William Hostetter
Rachel P. Roberts
Douglas S. Scipioni
Scott I. Sechler

FULTON FINANCIAL
CORPORATION
P.O. Box 4887
One Penn Square
Lancaster, Pennsylvania 17604

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD
TUESDAY, MAY 20, 2025 AT 10:00 A.M. EASTERN TIME

TO THE SHAREHOLDERS OF FULTON FINANCIAL CORPORATION:

NOTICE IS HEREBY GIVEN that, pursuant to the call of its Board of Directors, the 2025 Annual Meeting (the "**Annual Meeting**") of the shareholders of Fulton Financial Corporation ("**Fulton**") will be held on Tuesday, May 20, 2025, at 10:00 a.m. eastern time, at the Lancaster Marriott at Penn Square, 25 South Queen Street, Lancaster, Pennsylvania 17603, for the purpose of considering and voting upon the following matters:

- **ELECTION OF DIRECTORS.** The election of 11 director nominees to serve for a one-year term;
- **ADVISORY VOTE ON EXECUTIVE COMPENSATION.** A non-binding advisory proposal to approve the compensation of Fulton's named executive officers; and
- **RATIFICATION OF INDEPENDENT AUDITOR.** The ratification of the appointment of KPMG LLP as Fulton's independent auditor for the fiscal year ending December 31, 2025.

OTHER BUSINESS. Such other business as may properly be brought before the Annual Meeting and any adjournments thereof.

Only those shareholders of record at the close of business on March 3, 2025 will be entitled to be given notice of, to attend and to vote at, the Annual Meeting. Please take a moment to cast your vote online using your computer, by mobile device or by telephone in accordance with the instructions set forth on the enclosed proxy card. Alternatively, if you received a paper copy of this proxy statement (this "**Proxy Statement**") and proxy card, then complete, sign and date the proxy card and return it in the postage-paid envelope. If you attend the Annual Meeting, you may vote during the meeting in person or online by using the control number that appears on your proxy card even if you previously voted.

Your vote is important. Voting online using your computer, by mobile device or by telephone prior to the Annual Meeting is fast and convenient, and your vote is immediately confirmed and tabulated. Your proxy is revocable and may be withdrawn at any time before it is voted at the Annual Meeting. **You are cordially invited to attend the Annual Meeting on May 20, 2025 at 10:00 a.m. eastern time. If you plan on attending the Annual Meeting in person, then please see the instructions contained in this Proxy Statement.**

A copy of Fulton's 2024 Annual Report on Form 10-K (the "**Annual Report**") accompanies this Proxy Statement.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2025 ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 20, 2025. Our Proxy Statement and Annual Report are available online at www.proxyvote.com. We will mail to certain shareholders a Notice of Internet Availability of Proxy Materials which contains instructions on how to access these materials and vote online. We expect to mail this notice and to begin mailing our proxy materials on or about April 1, 2025.

Sincerely,

Natasha R. Luddington
Senior Executive Vice President,
Chief Legal Officer and
Corporate Secretary

April 1, 2025

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TABLE OF CONTENTS

2025 ANNUAL MEETING SUMMARY

*This summary highlights information contained elsewhere in this proxy statement (this "**Proxy Statement**") of Fulton Financial Corporation ("**Fulton**," "**we**," "**our**," "**us**" or the "**Company**"). This summary provides an overview and is not intended to contain all the information that you should consider before voting. We encourage you to read this Proxy Statement for more detailed information prior to casting your vote.*

When and Where	The 2025 Annual Meeting (the "**Annual Meeting**") will be held at the Lancaster Marriott at Penn Square, 25 South Queen Street, Lancaster, Pennsylvania 17603, on Tuesday, May 20, 2025, at 10:00 a.m. eastern time. Please refer to the "Date, Time and Place of the Annual Meeting" section of this Proxy Statement for more details about attending the Annual Meeting.			
Matters to be Voted on and Vote Recommendations		**Proposal**	**Board Recommendation**	**Page**
	Proposal 1:	**Election of Directors.** The election of 11 director nominees to serve for a one-year term.	"**FOR**" each director nominee	5
	Proposal 2:	**Advisory Vote on Executive Compensation.** A non-binding advisory proposal to approve the compensation of Fulton's named executive officers ("**NEOs**").	"**FOR**" approval	31
	Proposal 3:	**Ratification of Independent Auditor.** The ratification of the appointment of KPMG LLP ("**KPMG**") as Fulton's independent auditor for the fiscal year ending December 31, 2025.	"**FOR**" ratification	67
How to Vote Your Shares	You can vote your shares by visiting www.proxyvote.com.	Scan the following QR code with a mobile device.	You can vote your shares by calling 1-800-690-6903.	If you received a paper copy of this Proxy Statement, you can vote your shares by signing and returning your proxy card.
Electronic Delivery	If you would like to save paper and reduce the costs incurred by Fulton in printing and mailing proxy materials, you can consent to electronically receiving all future proxy statements, proxy cards and Annual Reports on Form 10-K. To sign up for electronic delivery, go to www.proxyvote.com and follow the instructions.			

OVERVIEW OF VOTING MATTERS

PROPOSAL 1

Election of Directors

The Fulton board of directors (the "**Board**") approved the nomination of 11 director nominees for election to serve as directors of Fulton until the 2026 Annual Meeting of Shareholders (the "**2026 Annual Meeting**") or until their successors are duly elected and qualified.

> The Board unanimously recommends that shareholders vote "**FOR**" the election of each of the 11 director nominees.

The following table provides summary information regarding each director nominee. Additional details about each of the director nominees can be found beginning on page 9. Except for Mr. Shirk, each of the below director nominees is presently a Fulton director.

Director Nominee	Age	Fulton Director Since	Independent Director	Gender[(1)]	Demographic Background[(2)]	Committee Memberships
Jennifer Craighead Carey	56	2019	✓[(3)]	F	AA	Executive Committee and Risk Committee[(*)]
Lisa Crutchfield	62	2014	✓	F	AA	Nominating and Corporate Governance Committee (the "**NCG Committee**") and Human Resources Committee[(**)] (the "**HR Committee**")
Denise L. Devine	69	2012	✓	F	C	Executive Committee[(**)], Audit Committee[(*)] and Risk Committee
George K. Martin	71	2021	✓	M	AA	Risk Committee and NCG Committee[(**)]
James R. Moxley III *Lead Director*	64	2015	✓	M	C	Executive Committee[(*)], Audit Committee and HR Committee
Curtis J. Myers *Chairman of the Board ("**Chairman**") and Chief Executive Officer ("**CEO**")*	56	2019	-	M	C	Executive Committee and Risk Committee[(†)]
Antoinette M. Pergolin	61	2022	✓	F	C	Audit Committee[(**)] and Risk Committee
Michael F. Shirk	49	-	✓	M	C	Risk Committee[(4)]
Scott A. Snyder	59	2016	✓	M	C	Executive Committee, Risk Committee[(**)] and NCG Committee[(*)]
Ronald H. Spair	69	2015	✓	M	C	Executive Committee, Audit Committee and HR Committee[(*)]
E. Philip Wenger	67	2009	-	M	C	Risk Committee

(*) Indicates committee chairperson
(**) Indicates committee vice chairperson
(†) Indicates ex-officio committee member
(1) Gender – Male (M) or Female (F)
(2) Demographic Background – African American (AA) or Caucasian (C)
(3) Ms. Craighead Carey is an independent director for purposes of serving as a director and as a member of the committees on which she serves.
(4) Mr. Shirk is currently a "non-voting" member of the joint Fulton and Fulton Bank, N.A. ("**Fulton Bank**") Risk Committee. Mr. Shirk, if elected, will be appointed a voting member of the Risk Committee.

Our Current Governance Best Practices

We are committed to maintaining strong corporate governance practices. The Board regularly reviews our governance policies and procedures to ensure compliance with laws, rules and regulations. We are also committed to operating with corporate social responsibility as a central tenet and continue to focus our attention on environmental, social and governance ("**ESG**") principles. Additional details about our corporate governance practices and our efforts to be a solid corporate citizen are set forth on page 19, and certain of our best practices are highlighted below:

Best Practices Include:			
Board Independence	**Board Practices**	**Shareholders Rights**	**Shareholder Alignment**
✓ Independent lead director (the "**Lead Director**") ✓ Executive sessions chaired by the Lead Director ✓ Board and committee ability to hire outside advisers independent of management ✓ A majority of independent directors ✓ The HR, Audit, and NCG Committees are composed entirely of independent directors	✓ Annual Board and committee self-evaluations ✓ Risk oversight and strategic planning by the Board ✓ Independent directors evaluate CEO performance and CEO compensation ✓ Board has direct access to all of our senior executive officers ✓ Outside public board service limited to a total of four, including the Board	✓ Annual election of directors ✓ Annual say-on-pay advisory vote	✓ Officer and director stock ownership guidelines ✓ Anti-hedging and anti-pledging policies ✓ Rigorous compensation clawback policies that exceed Nasdaq requirements

PROPOSAL 2

Advisory Vote on Executive Compensation

Our advisory vote on executive compensation (otherwise known as "say-on-pay") is held annually. This proposal provides our shareholders with the opportunity to vote to approve, on a non-binding advisory basis, the compensation of Fulton's NEOs, including the compensation, discussion and analysis and accompanying compensation tables and narrative discussion (the "**CD&A**"). The Board believes that the compensation of our NEOs is appropriate and should be approved on an advisory basis by our shareholders.

As an advisory vote, this proposal is not binding upon the Board, the HR Committee or Fulton. The HR Committee, however, values the opinions expressed by shareholders in their vote on this proposal and will consider the outcome of the vote when making future compensation decisions for our NEOs. The CD&A beginning on page 32 provides a more detailed description of Fulton's compensation philosophy and practices.

The Board unanimously recommends that shareholders vote "**FOR**" the approval of the compensation paid to Fulton's NEOs as disclosed in this Proxy Statement, including the CD&A, compensation tables and narrative discussion.

PROPOSAL 3

Ratification of Independent Auditor

As a matter of good corporate practice, we are seeking your ratification of the appointment of KPMG as our independent auditor for the fiscal year ending December 31, 2025. If our shareholders do not ratify the selection of KPMG, the Audit Committee may reconsider its selection.

For 2024, the total fees for services provided by KPMG, our current independent auditor, were $4,284,300, all of which represented audit fees, except for $66,500 in tax fees. Additional details about audit matters can be found beginning on page 67.

The Board unanimously recommends that shareholders vote "**FOR**" the ratification of the appointment of KPMG as Fulton's independent auditor for the fiscal year ending December 31, 2025.

PROPOSAL 1

Election of Directors

Director Nominees

The Board nominates the following 11 director nominees for election to the Board for a one-year term:

- Jennifer Craighead Carey
- George K. Martin
- Antoinette M. Pergolin
- Ronald H. Spair
- Lisa Crutchfield
- James R. Moxley III
- Michael F. Shirk
- E. Philip Wenger
- Denise L. Devine
- Curtis J. Myers
- Scott A. Snyder

Except for Mr. Shirk, each of the above director nominees is presently a Fulton director. The Board approved the nomination of the above individuals.

The Board is currently comprised of 11 directors, all of whom also serve on the board of directors (the "**Fulton Bank Board**") of Fulton's banking subsidiary, Fulton Bank. Mr. Etter will not stand for re-election at the Annual Meeting as he reached Fulton's mandatory retirement age. The Board would like to thank Mr. Etter for his service and valuable contributions to the Board.

If elected at the Annual Meeting, the Board has no reason to believe that any of the director nominees will be unable to accept nomination or serve as a director.

The Board unanimously recommends that shareholders vote "**FOR**" the election of each of the 11 director nominees.

Voting for Director Nominees

Vote Required

The 11 candidates receiving the highest number of votes cast at the Annual Meeting will be elected to the Board. Abstentions and broker non-votes will be counted as present at the Annual Meeting if such shares were voted on at least one non-procedural matter, but abstentions and broker non-votes will not be counted as votes cast in the election of directors.

Resignation Policy

In an uncontested election, any director nominee who receives a greater number of votes "withheld" from his or her election than votes "for" such election is required to promptly tender his or her resignation. The NCG Committee will consider the tendered resignation and recommend to the Board whether to accept it. The Board will act on the NCG Committee's recommendation within 90 days following certification of the shareholder vote. There is no cumulative voting for our directors.

Director Qualifications

Mix of Skills, Qualifications and Attributes

The Board believes that the 2025 director nominees provide Fulton with the right mix of skills and experience necessary for an effective Board. The NCG Committee reviews the composition of the Board on an annual basis to ensure that the Board reflects the appropriate balance of experience, skills and expertise. The Board believes different points of view brought through inclusive representation leads to better business performance, decision making and understanding of the needs of our clients, employees, shareholders, business partners and other stakeholders.

Based on our business, the primary areas of experience, qualification and skills typically sought by the NCG Committee in director candidates, include but are not limited to, the following:

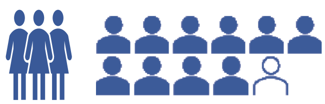
FINANCIAL EXPERTISE

Qualified to serve as an "Audit Committee financial expert" or experience in financial management, capital allocation, accounting, financial reporting or audit processes. As a bank holding company with multiple business lines, it is important to have directors who understand financial audits and can oversee financial reporting.

RISK MANAGEMENT

Knowledge of, or experience with, key risk oversight or risk management functions, including data privacy and cybersecurity. Risk management is critical to achieving long-term success in our industry. As such, we need directors with experience in overseeing and understanding the dynamic risks we face.

SENIOR LEADERSHIP EXPERIENCE

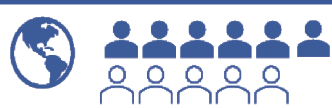


Experience holding significant leadership positions, particularly as a chief executive officer or head of significant business line. It is important to have proven leaders on the Board who can oversee Fulton's management and help us drive business strategy, growth and performance.

LEGAL/GOVERNANCE EXPERIENCE

Knowledge of, or experience in, regulated industries or governmental organizations. These skills are important to the Board's oversight of our highly regulated business.

MARKET KNOWLEDGE & INFLUENCE



Knowledge and influence in Fulton's five-state footprint.

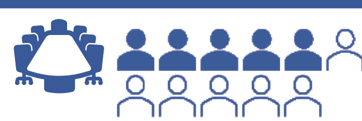
MERGERS/ACQUISITIONS EXPERIENCE

Experience with respect to mergers and acquisitions.

BANKING INDUSTRY EXPERIENCE

Experience with the banking or financial services industry.

PUBLIC COMPANY BOARD EXPERIENCE



Experience in public company governance, including corporate governance best practices and policies and managing relations with key stakeholders.

HR/COMPENSATION EXPERIENCE

Knowledge of, or experience with, executive compensation and human capital resource management strategies and oversight. It is important to have individuals on the Board who can oversee our efforts to attract, motivate and retain key talent and provide valuable insight in determining the compensation of the CEO and other executive officers.

MARKETING AND SALES EXPERIENCE

Experience in brand development, customer experience, marketing and sales.

INVESTMENT EXPERIENCE

Experience with public company investment policies, practices and activities.

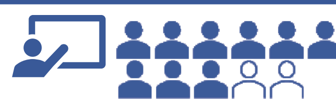
PUBLIC COMPANY CEO EXPERIENCE

Experience as a chief executive officer of a public company.

IT EXPERIENCE (GENERAL, FINTECH, CYBER, DIGITAL)

Experience in the development and adoption of technology, information security and cybersecurity matters.

STRATEGIC EXPERIENCE



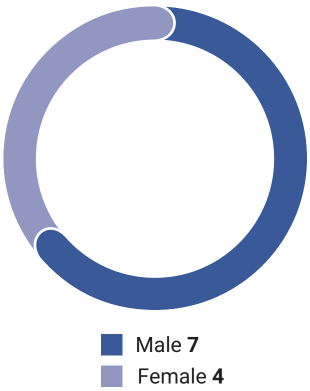
Experience with the oversight of public company strategic planning.

Additionally, the NCG Committee may consider other attributes relevant to our strategic growth and business needs including, but not limited to: (i) strong strategic, critical and innovative thinking, (ii) sound business judgment, (iii) high ethical standards, (iv) collegial spirit, (v) ability to debate and challenge constructively and (vi) availability and commitment to serve.

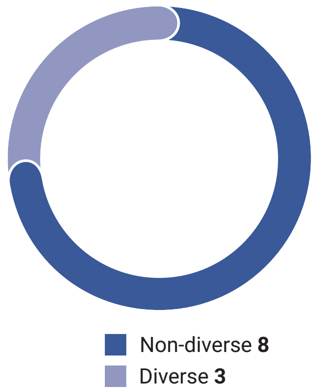
Refreshment and Retention

The Board is committed to board refreshment. Pursuant to Fulton's Bylaws, no person may be nominated for election to the Board if he or she will be 72 years old on or before the date of the annual meeting of shareholders at which he or she would stand for election. The NCG Committee believes there is a balance between seasoned directors with knowledge of Fulton and new directors who contribute fresh ideas, perspectives and viewpoints to the Board's deliberations. The average tenure of our director nominees as of the date of this Proxy Statement is eight years. Our director nomination process reflects our continued growth and focus on having a Board composed of directors who contribute to the evolving needs of Fulton while maintaining the invaluable knowledge brought by more tenured directors.

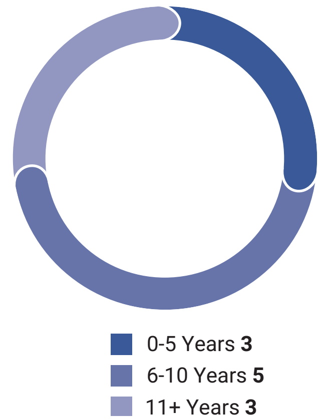
Gender Diversity[(1)]
36.4%



Racial Diversity[(1)]
27.3%



Average Director Nominee Tenure[(1)]
8.0 Years



(1) Except for Mr. Shirk, each of the director nominees is presently a Fulton director.

Selecting and Nominating Director Candidates

Fulton's Corporate Governance Guidelines (the "**Guidelines**") provide that the Board will be sufficient in size to achieve diversity in business experience, community service and other qualifications. The NCG Committee is responsible for carrying out the Board's commitment to maintaining a balanced and diverse composition of well-qualified directors. The NCG Committee considers director nominees who are recommended by non-management directors, Fulton's CEO, other senior officers and third parties. The NCG Committee identifies director nominee candidates and recommends such candidate's nomination to the Board based on his or her ability to diversify and complement the Board's existing strengths. Information on the experience, qualifications and attributes of Fulton's director nominees is detailed under "Director Nominees" on page 9.

Our shareholders may propose director candidates for consideration by the NCG Committee by submitting the individual's name and qualifications to the Chairman or Corporate Secretary at One Penn Square, P.O. Box 4887, Lancaster, Pennsylvania 17604 in accordance with, and with such other information as may be required by, our Bylaws and the Guidelines. Our NCG Committee will consider all director candidates properly submitted by our shareholders and will utilize the same criteria as director candidates not proposed by shareholders.

Director Nominees

The biographies of each of our director nominees are set forth below. Except for Mr. Shirk, each of the below director nominees is presently a Fulton director.

Jennifer Craighead Carey

Director Since: 2019 | **Age:** 56 | **Independent Director**

Committees: Risk (Chair) | Executive

Managing partner of Barley Snyder LLP ("**Barley Snyder**") since January 2024. Partner at Barley Snyder since 2001 and chaired Barley Snyder's Employment Law group from 2005 to 2019.

Other Directorships and Positions

- Member, High Holdings Corporation Board of Directors (2021-present)
- Member, High Industries Leadership Development & Compensation Committee (2023-present)
- Member, Lancaster City Alliance (2019-present)
- Member, Advisory Board for Millersville University's College of Arts, Humanities and Social Sciences (2023-present)
- Member, Fulton Bank Board (2012-present)

Directorship Qualification Highlights

Ms. Craighead Carey has extensive legal, risk management, and human capital experience. In addition, she is familiar with the markets in which Fulton operates.

Lisa Crutchfield

Director Since: 2014 | **Age:** 62 | **Independent Director**

Committees: HR (V-Chair) | NCG

Managing principal of Hudson Strategic Advisers, LLC, an economic analysis and strategic advisory firm, a consultancy practice she launched in 2012. Prior to launching this consultancy firm, Ms. Crutchfield served as Executive Vice President and Chief Regulatory, Risk and Compliance Officer for the U.K.-based National Grid plc, a global energy provider. Ms. Crutchfield has also served as an executive officer for PECO, an Exelon Company, TIAA-CREF, and Duke Energy Corporation.

Other Directorships and Positions

- Member, Vistra Corporation Board of Directors (NYSE: VST) (2020-present)
- Member, Buckeye Energy Holdings LLC Board of Directors (2020-present)
- Member, Somos, Inc. Board of Directors (2023-present)
- Member, Fulton Bank Board (2014-present)
- Former Member, Unitil Corporation Board of Directors (NYSE: UTL) (2012-2022)
- Former Member, Fortis Inc. Board of Directors (TSX/NYSE: FTS) (2022-2024)
- National Association of Corporate Directors ("**NACD**") Board Leadership Fellow (2019-present)

Directorship Qualification Highlights

Ms. Crutchfield has substantial experience leading corporate teams and has experience and knowledge of the financial services industry. Ms. Crutchfield began her career as a commercial and investment banker. Ms. Crutchfield brings expertise in public board service, finance, risk management, regulation and compliance.

Denise L. Devine

Director Since: 2012 | **Age:** 69 | **Independent Director**

Committees: Audit (Chair) | Executive (V-Chair) | Risk

Founder and Chief Executive Officer of FNB Holdings, LLC, a company dedicated to initiatives in the health and wellness space since 2014.

Other Directorships and Positions

- Member, SelectQuote Board of Directors (NYSE: SLQT) (2020-present)
- Member, Innovative Solutions and Support, Inc. Board of Directors (NASDAQ: ISSC) (2025-present)
- Member, AUS, Inc. Board of Directors (2016-present)
- Member, AgroFresh Solutions, Inc. Board of Directors (Nasdaq: AGFS) (2018-2023)
- Member, Cubic Corporation Board of Directors (NYSE: CUB) (2019-2021)
- Member, Ben Franklin Technology Partners of Southeastern PA Board (2016- present)
- Member, Ben Franklin Technology Development Authority Board (2018-present)
- Member, Fulton Bank Board (2012-present)
- NACD Board Leadership Fellow (2016-present)

Directorship Qualification Highlights

Ms. Devine is a certified public accountant. Ms. Devine has substantial management, business, public company and financial experience.

George K. Martin

Director Since: 2021 | **Age:** 71 | **Independent Director**

Committees: NCG (V-Chair) | Risk

Former senior partner of McGuireWoods LLP ("**McGuireWoods**"). From 2009 to 2021, Mr. Martin served as the managing partner of McGuireWoods' largest office. Mr. Martin became a partner with McGuireWoods in 1990 and practices construction and commercial real estate law. Mr. Martin previously served in various firm management capacities, including service on the recruiting committee, advisory board, pension committees and McGuireWoods Consulting Oversight Committee.

Other Directorships and Positions

- Member, University of Virginia Investment Management Corporation Board (2023-present)
- Member, Housing Development Law Institute Board (1991-present)
- Member, University of Virginia School of Architecture Foundation Board (2011-present)
- Member, Jefferson Scholars Foundation Board (2015-2022)
- Member, Governing Council at the University of Virginia's Miller Center (Vice Chair) (2019-2024)
- Member, Governing Council at the University of Virginia's Miller Center (Chair) (2024-present)
- Adjunct professor at the University of Virginia School of Law (2020-present)
- Member, Fulton Bank Board (2016-present)

Directorship Qualification Highlights

Mr. Martin has substantial senior leadership, legal, real estate and risk management experience.

James R. Moxley III

Director Since: 2015 | **Age:** 64 | **Independent Director and Lead Director**

Committees: Executive (Chair) | Audit | HR

Principal of Security Development Corporation, a Washington-Baltimore real estate land development company engaged primarily in retail and multifamily projects since 1992.

Other Directorships and Positions

- Trustee, Johns Hopkins Medicine – Howard County Medical Center (2021-present)
- Trustee, Howard Hospital Foundation (2014-2022)
- Founding Director, Real Estate Charitable Foundation of Maryland (2015-present)
- Chair, Duke University Library Advisory Board (2022-present); Member (2017-present)
- Member, Board of Visitors of Duke Law School (2017-2023)
- Trustee Emeritus, Glenelg Country School (1996-present)
- Member, Fulton Bank Board (2019-present)
- NACD Board Leadership Fellow (2017-present)

Directorship Qualification Highlights

Mr. Moxley has extensive business, tax and legal experience related to the acquisition, financing and development of commercial and residential real estate.

Curtis J. Myers

Director Since: 2019 | **Age:** 56 | **Chairman and CEO**

Committees: Executive | Risk (ex-officio)

Chairman and CEO of Fulton since January 1, 2023. President of Fulton from 2018 to 2023. President and Chief Operating Officer of Fulton Bank from 2009 to 2023. Mr. Myers became an executive officer of Fulton in 2013 and has held a number of executive and management level positions with Fulton Bank since 1990.

Other Directorships and Positions

- Member, Operation HOPE Global Board of Advisors (2023-present)
- Member, Economic Development Company of Lancaster County Board (2021-present)
- Member, ABA Stonier Graduate School of Banking Advisory Board (2020-present)
- Member, IREX Corporation and North Lime Holdings Corporation Board (2021-present)
- Member, Salvation Army, Lancaster, Pennsylvania (1995-present)
- Member, Fulton Bank Board (2009-present)
- Member, Pennsylvania Chamber of Business and Industry Board (2024-present)
- Member, American Bankers Association Board (2024-present)

Directorship Qualification Highlights

Mr. Myers has substantial banking experience, market knowledge, executive leadership and financial expertise.

Antoinette M. Pergolin

Director Since: 2022 | **Age:** 61 | **Independent Director**

Committees: Audit (V-Chair) | Risk

President and Chief Executive Officer of Bancroft, a New Jersey non-profit, for over 15 years that is a leading regional non-profit provider of programs and services for individuals with autism, intellectual and developmental disabilities and those in need of neurological rehabilitation.

Other Directorships and Positions

- Member and Chairwoman, Peirce College Board of Trustees (2016-present)
- Member, Inspira Health Network, Inc. Board of Trustees (2021-present)
- Member, Fulton Bank Board (2012-present)

Directorship Qualification Highlights

Ms. Pergolin has extensive experience in senior leadership, governance, investment, human resources, accounting and finance.

Michael F. Shirk

Director Since: N/A | **Age:** 49 | **Independent Director Nominee**

Committees: Risk

Chief Executive Officer at the High Companies since 2015, a leader in manufacturing, construction and real estate in Lancaster, Pennsylvania. Prior to that, Mr. Shirk was the Vice President of Architectural Specialties Worldwide at Armstrong World Industries (NYSE: AWI) from 2009-2014.

Other Directorships and Position:

- Member, PA Chamber of Business and Industry Board (2010-present)
- Member, Lancaster County STEM Alliance Advisory Board (2016-present)
- Member, the High Companies (2011-2015)
- Member, PA Workforce Development Board (2023)
- Member, PA Governor-elect Shapiro Transition Advisory Subcommittee on Business Development (2023)
- Member, Fulton Bank Board (2023-present)

Mr. Shirk is currently a “non-voting” member of the joint Fulton and Fulton Bank Risk Committee. Mr. Shirk, if elected, will be appointed as a voting member of the Risk Committee.

Directorship Qualification Highlights

Mr. Shirk has substantial experience in senior leadership, market knowledge and influence, mergers and acquisitions, HR/compensation matters and strategic experience.

Scott A. Snyder

Director Since: 2016 | **Age:** 59 | **Independent Director**

Committees: NCG (Chair) | Risk (V-Chair) | Executive

Chief Digital Officer at EVERSANA, a leading provider of global commercial services to the life sciences industry since 2021. Prior to that, Mr. Snyder was the Global Head of Digital and Innovation at Heidrick Consulting between 2018 and 2020 and Senior Vice President, Managing Director, and Chief Technology and Innovation Officer for Safeguard Scientifics, Inc. (NYSE: SFE) from 2016 to 2018.

Other Directorships and Positions

- Senior Fellow, Management Department at Wharton School (2003-present)
- Adjunct faculty member, School of Engineering and Applied Science, University of Pennsylvania (1997-present)
- Member, Wellhive Advisory Board (2020-present)
- Member, Modus Create Advisory Board (2022-present)
- Member, Fulton Bank Board (2019-present)

Directorship Qualification Highlights

Dr. Snyder has substantial experience in information technology ("IT"), digital and artificial intelligence strategy and implementation, as well as executive leadership and risk management in both large and emerging growth companies.

Ronald H. Spair

Director Since: 2015 | **Age:** 69 | **Independent Director**

Committees: HR (Chair) | Audit | Executive

Retired Chief Financial Officer, Chief Operating Officer and a member of the Board of Directors of OraSure Technologies, Inc. ("**OraSure**") (Nasdaq: OSUR), a diagnostic and medical device company headquartered in Bethlehem, Pennsylvania. Mr. Spair served on the Board of Directors of OraSure from 2006 to 2018 and as executive officer of OraSure from 2001 to 2018.

Other Directorships and Positions

- Member, Fulton Bank Board (2019-present)

Directorship Qualification Highlights

Mr. Spair is a certified public accountant. Mr. Spair has substantial public company, mergers and acquisitions, development and licensing transactions and corporate finance experience.

E. Philip Wenger

Director Since: 2009 | **Age:** 67 | **Director**

Committees: Risk

Chairman and CEO of Fulton from 2013 to December 31, 2022. Mr. Wenger served as President from 2008 to 2017 and Chief Operating Officer of Fulton from 2008 to 2012 in addition to other positions since 1979.

Other Directorships and Positions

- Member, Burnham Holdings, Inc. Board of Directors, (2019-present)
- Member, Operation HOPE Global Board of Advisors (2017-2022)
- Member, Pennsylvania Chamber of Commerce Board of Directors (2013-present)
- Member, Penn State Harrisburg Board of Advisors (2016-present)
- Member, Attollo, a part of The Children Deserve a Chance Foundation, Board Chair (2023-present)
- Member, Fulton Bank Board (2003-2009; 2019-present)

Directorship Qualification Highlights

Mr. Wenger has extensive knowledge of banking operations after more than 40 years in the financial services industry.

Directors Who are Not Standing For Re-election at the Annual Meeting

Steven S. Etter

Director Since: 2019 | **Age:** 72 | **Independent Director**

Committees: NCG | HR

Former President and Chief Executive Officer of the Harrisburg News Company, a regional magazine, book and newspaper wholesale distribution company since 1998. After being acquired by the Hudson News in 2014, Mr. Etter served as President of their Middle Atlantic Division until his retirement in 2020.

Other Directorships and Positions

- Member, University of Miami's President's Council (2014-present)
- Member and Emeritus Director of the Whitaker Center for Science and the Arts (2001-present)
- Member, Fulton Bank Board (2012-present)

Directorship Qualification Highlights

Mr. Etter has extensive business skills, financial expertise and regional market knowledge.

Executive Officers Who are Not Serving as Directors

The biographies of each of our executive officers who are not directors of Fulton, as of the date of this Proxy Statement, are set forth below.

Andy B. Fiol

Year of Hire: 2018 | **Age:** 53

Senior Executive Vice President and Head of Consumer & Small Business

Senior Executive Vice President and Head of Consumer & Small Business since January 1, 2023. Mr. Fiol previously serviced in several key roles, including Director of Consumer & Small Business Consumer Channel, Segment and Product. Mr. Fiol previously held leadership and executive roles at Capital One Bank from 2011 to 2018 and Bank of America from 2003 to 2011. Before entering banking, Mr. Fiol was an engineer and leader at Milliken & Company, as well as an entrepreneur and business owner.

John J. Glover

Year of Hire: 2013 | **Age:** 49

Senior Executive Vice President and Head of Commercial Banking

Senior Executive Vice President and Head of Commercial Banking for Fulton Bank since August 2024. Since 2020, Mr. Glover previously served in several key roles, including Executive Vice President and Director of Commercial Markets and Senior Vice President and Specialized Commercial Banking Executive.

Richard S. Kraemer

Year of Hire: 2024 | **Age:** 46

Senior Executive Vice President and Chief Financial Officer

Senior Executive Vice President and Chief Financial Officer since November 1, 2024. Mr. Kraemer previously served as Chief Banking Officer of Valley National Bank, the principal subsidiary of Valley National Bancorp ("Valley"), overseeing commercial banking in Valley's northern markets from January 2024 to July 2024. Mr. Kraemer previously served as Valley's Executive Vice President, Deputy Chief Financial Officer and Treasurer from February 2023 to December 2023; Executive Vice President, Chief Financial Services Officer from January 2020 to January 2023 and First Senior Vice President – Head of Corporate Finance, Corporate Development, and Investor Relations Officer from December 2017 to December 2019.

Natasha R. Luddington

Year of Hire: 2021 | **Age:** 50

Senior Executive Vice President, Chief Legal Officer and Corporate Secretary

Senior Executive Vice President, Chief Legal Officer and Corporate Secretary since 2021. Ms. Luddington became the Senior Executive Vice President, Chief Legal Officer and Corporate Secretary Designee in October 2021. Prior to joining Fulton, Ms. Luddington served in various positions, including Interim General Counsel and Senior Vice President, Associate General Counsel at Pacific Western Bank from 2014 to 2021. Ms. Luddington served in various roles in CapitalSource Bank's legal department from 2007 to 2014. Ms. Luddington has more than 25 years of legal experience.

Atul Malhotra

Year of Hire: 2015 | **Age:** 45

Executive Vice President and Chief Risk Officer

Executive Vice President and Chief Risk Officer since February 2024. Mr. Malhotra served as Fulton's Managing Director of Enterprise Risk Management from November 2015 to February 2024. Mr. Malhotra previously served as a regulatory and risk strategy consultant for various publicly traded companies, including large, global financial institutions. Mr. Malhotra has more than 20 years of enterprise risk experience in the financial services industry.

Meg R. Mueller

Year of Hire: 1996 | **Age:** 61

Senior Executive Vice President and Enterprise Credit Executive

Senior Executive Vice President and Enterprise Credit Executive since August 2024. Ms. Mueller served as Head of Commercial Banking from 2018 to 2024. Ms. Mueller served as Chief Credit Officer from 2010 to 2017. Ms. Mueller was promoted to Senior Executive Vice President of Fulton in 2013 and has been employed by Fulton in a number of positions since 1996.

Angela M. Sargent

Year of Hire: 1992 | **Age:** 57

Senior Executive Vice President and Chief Information Officer

Senior Executive Vice President and Chief Information Officer since 2013. Ms. Sargent served as Executive Vice President and Chief Information Officer from 2002 to 2013 and has been employed by Fulton in a number of positions since 1992.

Angela M. Snyder

Year of Hire: 2002 | Age: 60

President

President of Fulton since January 2024. Ms. Snyder previously served as Chief Banking Officer from January 2022 to December 2023. Ms. Snyder was Senior Executive Vice President and Head of Consumer Banking from 2018 to 2022. Ms. Snyder joined Fulton in 2002 as President of Woodstown National Bank. Ms. Snyder served as Chairwoman, President, and Chief Executive Officer of Fulton Bank of New Jersey until 2019. Ms. Snyder has more than 30 years of experience in the financial services industry.

Bernadette M. Taylor

Year of Hire: 1994 | Age: 63

Senior Executive Vice President and Chief Human Resources Officer

Senior Executive Vice President and Chief Human Resources Officer since 2015. Dr. Taylor served as Executive Vice President and director of Human Resources prior to her promotion in 2015 to Chief Human Resources Officer. Dr. Taylor joined Fulton in 1994 as the Corporate Training Director.

CORPORATE GOVERNANCE AND BOARD MATTERS

Information about Director Nominees, Directors and Independence Standards

Independence Standards

The Board determined that nine of Fulton's 11 director nominees are "independent" within the meaning of the director independence standards of the Nasdaq Stock Market LLC ("**Nasdaq**") listing standards and Securities and Exchange Commission ("**SEC**") rules and regulations. Specifically, the Board determined that director nominees Messes. Craighead Carey, Crutchfield, Devine and Pergolin and Messrs. Martin, Moxley, Shirk, Snyder and Spair met the Nasdaq listing standards and SEC rules and regulations with respect to independent director requirements.

Each of the current members of the Audit, HR and NCG Committees meet the requirements for independence under the Nasdaq listing standards and SEC rules and regulations. In reviewing director independence, the Board considered the relationships and other arrangements, if any, of each director nominee. The relationships and transactions reviewed and considered are more fully described in the "Related Person Transactions" section on page 26.

Lead Director

The Guidelines provide that the Board must include a Lead Director, and the Board determined a combined Chairman and CEO position is appropriate for Fulton. This structure permits the CEO to manage Fulton's daily operations and provides a single voice for Fulton. Fulton believes that the separation of these roles is not necessary because the Lead Director acts to counterbalance the combined Chairman and CEO position. The Board designates for a term of at least one year the independent, non-employee director who will lead the non-employee directors' executive sessions and preside at all Board meetings at which the Chairman is not present. The Lead Director will, among other things:

- serve as a liaison between the Chairman and the independent directors;
- approve information sent to the Board;
- approve meeting schedules to ensure that there is sufficient time for discussion of all agenda items; and
- have the authority to call meetings of the independent directors.

Mr. Moxley has served as the Lead Director and independent Executive Committee Chair since June 2018.

Executive Sessions

In 2024, the Fulton independent directors met two times in executive session without management present. Fulton's Lead Director presided over the executive sessions.

Annual Board and Committee Evaluations

The Board and its committees, except the Executive Committee, conduct annual self-evaluations. The NCG Committee creates the annual process to elicit feedback from the individual Board and committee members to enhance Board and committee effectiveness. The NCG Committee implements a process with both written and oral components. The self-evaluations are designed to encourage open and candid feedback with respect to Board and Committee effectiveness and its committees and the effectiveness of each of its members. The scope of the self-evaluations includes elements of Board effectiveness, including Board size, meeting frequency, quality and timing of information provided to the Board, director communication, director education, development and growth, director skills and qualifications, director independence and Board strategy. The NCG Committee annually reports to the Board the results of these self-evaluations, and the Board and each committee discuss their respective self-evaluations. Periodically, the Board will engage an independent third party to conduct a Board and individual director assessment. Appropriate action plans are then developed to implement enhancements and other changes based on the feedback received.

Annual CEO Performance Evaluation

Each year, the non-employee directors and the HR Committee review the CEO's performance over the past year in light of Fulton's performance and strategic goals and objectives.

CEO and Executive Succession Planning

Succession planning for the CEO and certain other executive officers is one of the Board's key responsibilities. At least annually, the Board reviews the CEO and certain other executive officer succession plans. The Chief Human Resources Officer reviews the succession planning process used by management to identify NEO successors. The CEO emergency succession plan is reviewed semi-annually with the HR Committee.

Outside Directorships

Fulton values the experience our directors bring from other boards on which they serve. We encourage all directors to carefully consider the number of other company boards of directors on which they serve, taking into account the time required for board attendance, conflicts of interests, participation and board effectiveness. Pursuant to the Guidelines, no director may serve on more than four total public company boards, including the Board.

Contacting the Board

A Fulton shareholder can contact the Board by writing to: Board of Directors, Fulton Financial Corporation, Attention: Corporate Secretary, P.O. Box 4887, One Penn Square, Lancaster, Pennsylvania 17604. The Chairman will determine further distribution of written communications based on the nature of the communication.

Shareholder Engagement

The Board and management regularly engage with shareholders and meet with shareholders that attend the Annual Meeting. In 2024, Fulton management engaged with institutional shareholders at various investor events. In addition to meeting and engaging shareholders at the Annual Meeting, management has taken a proactive approach to investor relations. In 2024, management increased its engagement by 50%, meeting with over 90 institutional investors through various industry conferences and direct calls. Fulton maintains an Investor Relations officer to advance its investor engagement activities.

Risk Oversight

Board's Role in Risk Oversight

Fulton's risk appetite is focused on enhancing shareholder value while managing risk at an acceptable level. The Board and the committees that monitor risk assess and oversee risk management, including the establishment, tracking and reporting of key risk indicators across our strategic, reputation, credit, market, liquidity, operational, legal, compliance and regulatory risk pillars. The Board has primary responsibility for the oversight of capital adequacy and planning. Fulton also engages in risk assessments, capital management and stress testing to ensure that Fulton has adequate capital to absorb potential losses under various stress scenarios. The Board specifically delegates certain risk oversight functions to the Risk, HR, Audit and NCG Committees as follows:

- **Risk Committee:** Responsible for enterprise risk oversight and regularly informing the Board about risks. The Board and the Risk Committee regularly review information regarding our exposure to the risks detailed above as well as Fulton's strategies to monitor, control and mitigate exposure to these risks. The Risk Committee also oversees cybersecurity risk.
- **HR Committee:** Responsible for risk oversight with respect to compensation plans and human capital management.
- **Audit Committee:** Responsible for risk management oversight with respect to financial reporting and the evaluation and assessment of the adequacy of our internal controls.
- **NCG Committee:** Responsible for risk oversight associated with governance matters, Board independence, potential conflicts of interest and ESG matters.

Management's Role in Risk Oversight

Fulton's Chief Risk Officer and members of Fulton's Enterprise Risk Management Committee ("**ERMC**"), a management-level risk committee, oversee organization-wide existing and emerging risks and serve as the primary review function prior to escalation to the Risk Committee and the Board. This management-level committee provides risk oversight, including oversight of Fulton's risk management and compliance programs.

Risk Appetite Statement

At least annually, the Board adopts a formal Risk Appetite Statement ("**RAS**") that details our risk management approach and the qualitative and quantitative parameters within which Fulton executes its business strategies. The RAS also outlines the general structure within which Fulton manages risk while balancing our customer and community needs and enhancing shareholder value.

Risks and Controls

Fulton's framework for enterprise risk management consists of three "lines of defense." Our first line of defense, that includes our lines of business, bank operations, shared services operations and certain corporate functions, has primary responsibility for risk management and compliance, including process deployment, risk identification, training and reporting. Our second line of defense, that includes our independent risk management units, is responsible for: (i) overseeing risk, (ii) defining governance requirements for risk management and compliance and (iii) monitoring front line unit risk and compliance activities in discrete areas. Our risk management units include, but are not limited to, risk management, compliance, loan review, vendor risk management, fraud risk management, Bank Secrecy Act compliance and information security. Our third line of defense, our internal audit function, independently validates the effectiveness of internal controls and risk management activities within the first line of defense and independent risk management units and periodically reports its results to management and the Board.

Board's Role in Cybersecurity Risk

Cybersecurity risk is a key consideration in Fulton's operational risk management. Under the direction of our Chief Information Security Officer, Fulton maintains a formal information security management program that is subject to oversight by, and reports to, the Risk Committee. Given the nature of Fulton's operations and business, including Fulton's reliance on relationships with various third-party providers in the delivery of financial services, cybersecurity risk may manifest itself through various business activities and channels. As such, cybersecurity risk is considered an enterprise-wide risk subject to control and monitoring at various levels of management throughout the Company. In accordance with its charter, the Risk Committee oversees and reviews reports on significant matters of actual, threatened or potential breaches of corporate security, including cybersecurity.

By the very nature of our business, handling sensitive data is a part of daily operations and is taken very seriously by all employees. The cybersecurity threat environment is volatile and dynamic requiring all levels of Fulton to be cognizant and aware of these threats at all times. As such, we maintain a comprehensive cybersecurity strategy that includes, but is not limited to, regular employee cybersecurity training and communications, regular monitoring, detection, alerting, and defense technologies, regular internal and third-party program oversight, policies and procedures regularly reviewed and designed with regulatory and industry guidance and regular reviews of vendors who maintain sensitive data on our behalf.

Fulton has implemented formal processes and a framework for determining cyber incident materiality, as well as formal processes and procedures for determining and, where necessary or appropriate, reporting incident materiality. Cyber incidents will be evaluated against this framework and our processes and procedures to ensure that any incidents meeting the defined materiality thresholds will be publicly disclosed in a timely manner. Please see Part I, Item 1C Cybersecurity in the Annual Report on Form 10-K for the year ended December 31, 2024 for more information regarding this framework and these processes and procedures.

Board’s Role in Consumer Financial Protection

Under the direction of Fulton’s Chief Compliance Officer, Fulton maintains a consumer compliance program that is subject to the oversight of, and reporting to, the Risk Committee. The consumer compliance program includes regular risk assessments, policy updates, compliance monitoring, involvement in new product and significant project initiatives, regulatory change management, independent audit testing and a compliance training program administered by Fulton’s Learning and Development team. Compliance courses are mandatory and are assigned based upon an employee’s role. Fulton’s compliance management system also includes customer feedback and complaint monitoring. Our compliance management system is subject to review and examination by various regulatory agencies, including the Office of the Comptroller of the Currency and the Consumer Financial Protection Bureau.

Meetings and Committees of the Board

Meeting Attendance

During 2024, the Board met 13 times. In 2024, each director attended at least 75% of the meetings of the Board and the committees on which he or she served.

Unless their absence is excused, Fulton expects directors to attend the Annual Meeting. Ten members of the Board attended the 2024 Annual Meeting.

Other Board Committees

We believe the Board has created a sound committee structure designed to assist the Board in carrying out its responsibilities in an effective and efficient manner. While the Board may form, from time to time, ad hoc or other special purpose committees, the Board has five regular standing committees: Audit, Executive, HR, NCG and Risk.

Each of the Audit, HR, NCG and Risk committees meets regularly and at least on a quarterly basis. The committees, typically through their committee chairpersons, routinely report their actions to, and discuss their recommendations with, the full Board.

The Board determined that each member of the Audit, HR and NCG Committees is “independent” within the meaning of the Nasdaq listing standards and the SEC rules and regulations.

As of December 31, 2024, the names of the Board committee members and the key oversight responsibilities of the Board committees are set forth below. Mr. Shirk is currently a “non-voting” member of the joint Fulton and Fulton Bank Risk Committee. Mr. Shirk, if elected, will be appointed a voting member of the Risk Committee.

Board of Directors

Audit Committee

Members: Denise L. Devine (Chair), Antoinette M. Pergolin (Vice Chair), Ronald H. Spair and James R. Moxley III

Meetings in 2024: 14

Key Oversight Responsibilities:

- pre-approving audit and non-audit services;
- appointing (and recommending for shareholder ratification), compensating, retaining and overseeing the independent auditor;
- meeting with the independent auditor to review the scope of audit services;
- reviewing and discussing with management and the independent auditor annual and quarterly financial statements and related disclosures;
- overseeing the internal audit function;
- overseeing internal control practices and reviewing the effectiveness of our internal control framework; and
- overseeing our compliance with laws and regulations relating to financial reporting.

The Board has determined that each member of the Audit Committee satisfies the requirements established by the SEC for qualification as an "audit committee financial expert," and each is independent under the Nasdaq listing standards and SEC rules and regulations.

Risk Committee

Members: Jennifer Craighead Carey (Chair), Scott A. Snyder (Vice Chair), Denise L. Devine, George K. Martin, Curtis J. Myers (ex-officio member), Antoinette M. Pergolin and E. Philip Wenger

Meetings in 2024: 8

Key Oversight Responsibilities:

- overseeing risk management functions and practices;
- overseeing established practices, processes and controls employed to manage Fulton's enterprise-wide risk;
- upon recommendation of the ERMC, reviewing and recommending to the Board Fulton's risk management framework and enterprise risk management policy; and
- upon the recommendation of the ERMC, reviewing and recommending to the Board for its approval, Fulton's RAS.

The Chair of the Risk Committee is a director determined by Fulton's Board to possess the requisite experience in identifying, assessing and managing risk exposures at large, complex financial institutions.

HR Committee

Members: Ronald H. Spair (Chair), Lisa Crutchfield (Vice Chair), Steven S. Etter and James R. Moxley III

Meetings in 2024: 11

Key Oversight Responsibilities:

- approving and recommending to the Board compensation for the CEO;
- approving the compensation for the NEOs (other than the CEO);
- reviewing on a semi-annual basis the CEO emergency succession plan;
- reviewing and approving on an annual basis the Employee Stock Purchase Plan ("**ESPP**");
- overseeing employee benefit plans, including Fulton's health and welfare plans;
- approving employment agreements and change in control agreements for the NEOs and Fulton's senior executive officers;
- determining Fulton's peer group; and
- fulfilling other compensation, benefits and human resources duties.

NCG Committee

Members: Scott A. Snyder (Chair), George K. Martin (Vice Chair), Lisa Crutchfield and Steven S. Etter

Meetings in 2024: 8

Key Oversight Responsibilities:

- recommending to the Board nominees for election to the Board;
- assisting the Board with corporate governance matters, including the review and approval of Fulton's Code of Conduct (the "**Code of Conduct**") and the Guidelines;
- overseeing compliance with the Board's self-evaluation policy;
- determining whether Fulton's directors and the NEOs are in compliance with Fulton's stock ownership guidelines; and
- reviewing from time-to-time our policies, practices and disclosures with respect to sustainability and ESG factors.

Executive Committee

Members: James R. Moxley III (Chair), Denise L. Devine (Vice Chair), Jennifer Craighead Carey, Curtis J. Myers, Scott A. Snyder and Ronald H. Spair

Meetings in 2024: 0

Key Oversight Responsibilities: subject to our Bylaws, authorized to exercise all the powers and authority of the Board between board meetings.

Committee Governance

The Board adopted a written charter for each of the Audit, HR, NCG and Risk Committees that are available on Fulton's website, www.fultonbank.com, under "Investor Relations – Overview – Governance Documents." This Proxy Statement includes website addresses and references to additional materials found on those websites. These websites and materials are not incorporated by reference into this Proxy Statement or in any other SEC filing. The Board reviews the committees' charters, and each committee reviews its own charter, on at least an annual basis.

The charters provide that the committees have adequate resources and authority to discharge their responsibilities, including appropriate funding for the retention of external consultants or advisors as the committees deem necessary and appropriate.

HR Committee Interlocks and Insider Participation

Ms. Crutchfield, and Messrs. Etter, Moxley, and Spair served on the HR Committee in 2024, each of whom is an independent director. Mr. Etter will not stand for re-election at the Annual Meeting. None of these individuals is, or has been, an officer or employee of Fulton during the last fiscal year or as of the date of this Proxy Statement, or is serving or has served as a member of the compensation committee (or other board committee performing equivalent functions) of another entity that has an executive officer serving on the compensation committee (or other board committee performing equivalent functions). No executive officer of Fulton served as a director of another entity that had an executive officer serving on the HR committee (or other board committee performing equivalent functions). Finally, no executive officer of Fulton served as a member of the compensation committee (or other board committee performing equivalent functions) of another entity that had an executive officer serving as a director of Fulton.

Corporate Governance Guidelines

The Board has developed and adopted the Guidelines to promote the functioning of the Board and its committees and to establish a common set of expectations as to how the Board should perform its functions. The Guidelines address, among other matters: (i) the size of the Board, (ii) director qualifications, (iii) the majority vote standard with respect to the election of directors, (iv) service on other boards and director change in status, (v) meeting attendance and review of meeting materials, (vi) director access to management and independent advisors, (vii) the designation of a Lead Director, (viii) executive sessions, (ix) CEO evaluation and succession planning, (x) Board and committee evaluations, (xi) stock ownership guidelines, (xii) communications by interested parties, (xiii) Board and committee responsibilities and (xiv) the Code of Conduct.

A current copy of the Guidelines can be obtained, without cost, by writing to the Corporate Secretary at One Penn Square, P.O. Box 4887, Lancaster, Pennsylvania 17604. The Guidelines are available on Fulton's website at www.fultonbank.com under "Investor Relations – Overview – Governance Documents."

Code of Conduct

The Board adopted a Code of Conduct that governs the conduct of our and our affiliated entities' directors, officers and employees. Our Code of Conduct sets forth specific standards of conduct that we expect all of our employees and directors to follow. We maintain an ethics hotline for employees to use on an anonymous basis. A current copy of the Code of Conduct can be obtained, without cost, by writing to the Corporate Secretary at One Penn Square, P.O. Box 4887, Lancaster, Pennsylvania 17604. The current Code of Conduct is available on Fulton's website at www.fultonbank.com under "Investor Relations – Overview – Governance Documents."

ESG Overview

We are a community-focused, purpose-driven organization with a deep, long-standing commitment to promoting sound ESG practices. We recognize that good practices and effective oversight and management of such matters are essential in driving success for our shareholders, the communities in which we operate as well as other stakeholders, including customers and employees. The Board and certain of its committees provide ESG oversight as we continue to make progress in further enhancing our ESG approach, including promoting the success and well-being of our employees.

ESG Oversight

The Board designated the NCG Committee to be the Board-level committee responsible for oversight of our ESG strategy and corporate social responsibility reporting. We have a cross-functional management-level Corporate Social Responsibility Leadership Committee to coordinate Fulton's ESG program, and this committee provides updates to the NCG Committee and the Board.

Employees

We recognize a crucial element of a successful organization is having an inclusive culture and workforce that encourages employees to share their opinions and different perspectives, and fosters a culture of respect.

We continually invest in our employees. We provide relevant learning opportunities to help employees cultivate their strengths and enrich their careers. Our Employee Experience Council reviews data from employee engagement surveys that lead to action plans in response to survey feedback. We measure progress based on these employee engagement surveys, and success toward meeting established performance goals is reflected in the compensation of executives with an employee engagement scorecard metric.

Community and Customers

As an active, integral member of the local communities in which we operate, we recognize the importance of supporting our communities, including through charitable giving and providing our employees with volunteer opportunities in our communities. A key part of our mission is to serve low- and moderate-income individuals and small businesses operating in underbanked and underserved areas.

We established and fund the Fulton Forward Foundation to make direct impact grants to groups in a manner aligned with our four Fulton Forward® pillars detailed below. Our investment in opportunities for people in our communities to improve their lives includes focusing people and financial resources on philanthropic and volunteer activities to advance the Fulton Forward pillars that promote:

- Affordable Housing and Home Ownership
- Job Training and Workforce Development
- Financial Education and Economic Empowerment
- Inclusion

To ensure fair and equitable customer treatment, we established a fair lending compliance program consisting of policies, procedures, training, monitoring and testing controls to ensure compliance with Fair Lending laws. The Fair and Responsible Banking Strategy Committee, assisted by the Fair and Responsible Banking Director, oversees the development and execution of fair and responsible banking strategic programs and initiatives.

Environment

As responsible environmental stewards, we strive to reduce the environmental impact of our activities. We are mindful of our operational footprint and deploy efficient land and building practices to minimize the resources used in the communities in which we operate.

A working group of senior officers from different departments across our organization is tasked with understanding the climate-related opportunities and risks in our business. The working group is supporting us by:

- actively seeking ways to reduce our operational impact on the environment;
- incorporating climate-related risk management into our business practices;
- ensuring we have financial products and services that support our customers' sustainability journeys; and
- engaging our vendors on sustainability.

Our Strategic Sourcing and Procurement department seeks to reduce the costs of goods and services we purchase. Our Supplier Code of Conduct can be found at www.fultonbank.com under the "About" tab. These initiatives were created to help reduce our overall environmental impact.

The Risk Committee has oversight responsibility for enterprise risks including climate risk factors. The Risk Committee evaluates Fulton's established risk appetite and considers emerging risk factors such as ESG in its regular oversight and monitoring of management's risk reporting and analysis. Climate risk factors in the credit and operational risk domains are considered in the risk appetite and monitoring processes. For more details on our Risk Committee's activities, see "Board's Role in Risk Oversight" on page 20.

ESG Reporting

We published our 2023 Corporate Social Responsibility Report (the "**CSR**") that highlights our approach to changing the lives of our customers, employees, members of our communities and other stakeholders for the better. The CSR can be found on Fulton's website at www.fultonbank.com under the "About" tab. The content of our CSR is not incorporated by reference into this Proxy Statement or any other SEC filing.

As part of our continued emphasis on engaging with stakeholders surrounding our ESG efforts, we plan to publish a 2024 CSR report that will include additional disclosures and ESG metrics, a few of which will be aligned with the Sustainability Accounting Standards Board.

Human Capital

Our workforce, excluding temporary employees and interns, on December 31, 2024 consisted of approximately 3,400 employees.

Employee Engagement and Retention. We place a premium on having a highly engaged workforce because engaged employees tend to perform at a higher level, support our success, and are more likely to stay with us. We conduct an annual survey of our workforce to measure employee engagement, assess employee morale, and help identify areas of the employee experience that could be improved. We then task our leaders with developing and implementing communication and action plans to gain a better understanding of the results of the assessment and to foster enhanced future engagement.

Culture and Inclusion. We place significant emphasis on shaping our corporate culture, and we consider our culture to be one of the primary components of our continuing success. Our culture-shaping program, The Fulton Experience, is a highly engaging program that is intended to create new ways of thinking about employees' individual roles, how employees collaborate, and how we grow together. We recognize that having an inclusive culture fosters a culture of respect and is a crucial element of our success.

Compensation and Rewards. We invest in our workforce by offering a comprehensive Total Rewards program that includes competitive salaries, incentives, and benefits. We offer performance-based incentive programs designed to drive results in the business units as well as at the enterprise level.

Workforce Recruitment and Development. We recruit our workforce, filling replacement and new positions through employee referrals, recruiting efforts and by posting these positions internally, on our website and on social media platforms. We provide for professional development of new and existing employees largely through the efforts of our Learning and Development area that develops and administers a wide variety of training programs. We also provide a number of third-party offerings in which employees can further enhance their skills, knowledge and leadership potential.

Safety, Health and Wellness. The safety, health and wellness of our employees is a top priority. In addition to healthcare, paid time off, paid parental leave and retirement benefits, we provide behavioral and mental health support and work-life services through our Employee Assistance Program.

Related Person Transactions

In 2024, certain Fulton directors and executive officers, including certain NEOs, their family members and the companies with which they are associated, were customers of, and/or had banking transactions with, Fulton Bank. These transactions included deposit accounts, trust relationships, loans and other financial products and services provided in the ordinary course of business by Fulton Bank. All loans and commitments to lend made to these persons and to the companies with which they are associated: (i) are made in the ordinary course of business, (ii) are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to Fulton Bank and (iii) did not involve more than a normal risk of collectability or present other unfavorable features. It is anticipated that similar transactions will be entered into in the future.

In 2024, Fulton had one related person transaction in excess of $120,000 in connection with legal fees paid to Barley Snyder in the amount of $1,057,616. Ms. Craighead Carey, a director nominee, is the managing partner of Barley Snyder. Ms. Craighead Carey owns less than a 4% interest in Barley Snyder. In 2024, Ms. Craighead Carey was not directly engaged as counsel for any Fulton-related matter, and she did not bill any hours on Fulton engagements.

In 2024, there were no family relationships among Board members, director nominees and Fulton executive officers requiring disclosure.

Fulton does not have a separate related person transactions policy. Under the Code of Conduct, directors must provide prompt notice to Fulton of all new or changed business activities, related person relationships and board directorships. The Audit Committee is charged with the oversight of, and responsibility to conduct, on an annual basis, a review of all transactions with related persons as defined in applicable SEC regulations.

In February 2025, the Audit Committee reviewed and approved a report of all 2024 related person transactions.

Delinquent Section 16(a) Reports

Based solely on Fulton's review of: (i) Forms 3 and 4 and amendments thereto filed electronically with the SEC during the 2024 fiscal year; (ii) Forms 5 and amendments thereto filed electronically with the SEC with respect to the 2024 fiscal year and (iii) written representations from Fulton's directors, the NEOs and our officers, we believe that all Section 16(a) reports were timely filed during the 2024 fiscal year.

Director Compensation

The compensation for our non-employee directors is designed to be competitive with other financial institutions that are similar in size, complexity and business model. The Board reviews Fulton's non-employee director compensation on an annual basis with the assistance of the HR Committee.

Elements of Director Compensation

Non-employee directors receive a combination of a cash retainer and equity compensation for service on the Board and its committees. Fulton-employed directors do not receive individual meeting fees or other director-related compensation. In 2024, Fulton granted equity awards in the form of restricted stock units ("**RSUs**") to its non-employee directors pursuant to the Amended and Restated 2023 Director Equity Plan (the "**Director Equity Plan**"). These RSUs vest in full one year after their grant date and accrue dividend equivalent units.

Fulton reimburses directors for Board-related expenses and provides non-employee directors with a $50,000 term life insurance policy. Certain directors participate in Fulton's Deferred Compensation Plan (the "**DCP**") that allows a director to elect to defer a portion of his or her cash director fees. Annual cash retainers are paid in quarterly installments. For more details on our DCP, see "Deferred Compensation Plan" on page 46.

Below is the amount of compensation paid to non-employee directors in 2024:

2024 Fees	Payment Amounts
Annual director retainer	$70,000 in cash
Annual retainer paid to the Lead Director	$30,000 in cash
Annual retainer paid to committee chairpersons[(1)]	$17,500 in cash
Annual equity award[(2)]	$80,007

(1) A committee chair cash retainer is not paid to the chairperson of the Executive Committee.
(2) The number of RSUs awarded was determined using the closing price per share of Fulton's common stock on May 31, 2024, rounded up to the next whole share.

2024 Director Compensation

The following table details the compensation paid to each 2024 Fulton non-employee director:

2024 Director Compensation Table

Name	Fees Earned or Paid in Cash ($)	Stock Awards(1)(2) ($)	All Other Compensation(3)	Total ($)
Jennifer Craighead Carey	87,500	80,007	$48	167,555
Lisa Crutchfield	70,000	80,007	$48	150,055
Denise L. Devine	87,500	80,007	$48	167,555
Steven S. Etter	70,000	80,007	$48	150,055
George K. Martin	70,000	80,007	$48	150,055
James R. Moxley III	100,000	80,007	$48	180,055
Antoinette M. Pergolin	70,000	80,007	$48	150,055
Scott A. Snyder	87,500	80,007	$48	167,555
Ronald H. Spair	87,500	80,007	$48	167,555
E. Philip Wenger	70,000	80,007	$48	150,055

(1) The amounts in this column represent the grant date fair value determined in accordance with ASC Topic 718 of an RSU award granted to each non-employee director on June 1, 2024 under the Director Equity Plan, consisting of 4,751 RSUs having a grant date fair value of $16.84 per share, the closing price of Fulton common stock on May 31, 2024. The RSUs will vest in full on June 1, 2025, subject to the grantee's continued service with Fulton.

(2) As of December 31, 2024, Fulton non-employee directors had the following outstanding stock awards payable in Fulton common stock, including accumulated dividend equivalent units and RSUs with respect to which the director has elected under the Director Equity Plan to defer delivery of the RSUs until January 15 of the calendar year following the earliest to occur of the director's separation from service as a director, death or disability, either in a single installment or three equal annual installments:

Name	Outstanding Stock Awards
Jennifer Craighead Carey	27,894
Lisa Crutchfield	32,696
Denise L. Devine	25,310
Steven S. Etter	27,894
George K. Martin	24,833
James R. Moxley III[A]	4,841
Antoinette M. Pergolin	24,165
Scott A. Snyder	32,696
Ronald H. Spair	32,696
E. Philip Wenger[A][B]	159,159

[A] Mr. Moxley and Mr. Wenger have not elected to defer delivery of RSUs.

[B] Mr. Wenger's outstanding stock awards include 154,318 unvested performance-based RSUs granted on May 1, 2022 when Mr. Wenger was serving as Fulton's Chairman and Chief Executive Officer. The performance-based RSUs will vest on May 1, 2025.

(3) This amount represents the annual cost of the $50,000 life insurance benefit provided to each non-employee director.

Stock Ownership Guidelines

The Guidelines require that each director own at least $350,000 of Fulton common stock within five calendar years after becoming a director. As of December 31, 2024, all directors have satisfied the stock ownership guideline requirements or are within the five calendar year period to achieve compliance.

Security Ownership of Directors, Nominees, Management and Certain Beneficial Owners

The following table sets forth the beneficial ownership of Fulton common stock at the close of business on March 3, 2025 (the "**Record Date**") by: (i) each director, (ii) each director nominee, (iii) each NEO and (iv) Fulton's directors and executive officers as a group. The following information is based on information furnished by the respective directors and officers.

Directors and Director Nominees who are not NEOs	Total Shares Beneficially Owned(1)	% of Class
Jennifer Craighead Carey	4,985	*
Lisa Crutchfield	11,938	*
Denise L. Devine(2)	31,521	*
Steven S. Etter(3)	286,232	*
George K. Martin(4)	10,724	*
James R. Moxley III(5)	155,108	*
Antoinette M. Pergolin	3,229	*
Michael F. Shirk(6)	69,214	*
Scott A. Snyder	6,540	*
Ronald H. Spair(7)	19,072	*
E. Philip Wenger(8)	582,333	*
NEOs		
Curtis J. Myers(9)	215,669	*
Richard S. Kraemer	-	*
Angela M. Snyder	63,682	*
Meg R. Mueller(10)	121,968	*
Beth Ann L. Chivinski(11)	122,654	*
Mark R. McCollom(12)	39,782	*
Karthik K. Sridharan(13)	16,245	
All Directors and Executive Officers as a group (24 persons)	**1,972,788**(14)	**1.08%**

(*) Represents less than 1.0% of the outstanding shares of Fulton's common stock calculated in accordance with Rule 13d-3 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**").

(1) For purposes of this table, "beneficial ownership" is determined in accordance with Rule 13d-3 under the Exchange Act, pursuant to which a person or group of persons is deemed to have "beneficial ownership" of any shares of common stock that such person has the right to acquire within 60 days of the Record Date, but are not deemed to be outstanding for the purposes of computing the percentage ownership of any other person.

(2) Ms. Devine's ownership includes 1,000 shares held jointly with her spouse.

(3) Mr. Etter will not stand for re-election at the Annual Meeting as he has reached Fulton's mandatory retirement age.

(4) Mr. Martin's ownership includes 8,870 shares held in an individual retirement account and 125 shares held jointly with his spouse.
(5) Mr. Moxley's ownership includes: (i) 1,394 shares held solely by his spouse, (ii) 20,907 shares held by Mr. Moxley as custodian for his children and (iii) 28,000 shares held in a 401(k) plan.
(6) Mr. Shirk's ownership includes, (i) 10,213 shares held jointly with his spouse, (ii) 2,756 shares held in a simplified employee pension individual retirement account held by his spouse, (iii) 10,051 shares held by Mr. Shirk as custodian for his children and (iv) 3,000 shares held by Tipararee LLC, and (v) 37,608 shares held by Mr. Shirk as Trustee of JOS Credit Shelter Trust.
(7) Mr. Spair's ownership includes 10,000 shares held jointly with his spouse.
(8) Mr. Wenger's ownership includes: (i) 144,297 shares held jointly with his spouse, (ii) 96,626 shares held in an individual retirement account ("**IRA**"), (iii) 3,851 shares held in an IRA by his spouse and (iv) 440 shares held by Mr. Wenger as custodian for his children.
(9) Mr. Myers' ownership includes: (i) 59,724 shares held in the Fulton Financial Corporation 401(k) Retirement Plan (the "**401(k) Plan**") and (ii) 22,109 shares held jointly with his spouse.
(10) Ms. Mueller's ownership includes 10 shares held jointly with her spouse.
(11) Ms. Chivinski's ownership includes 11,255 shares held in the 401(k) Plan. Ms. Chivinski served as Interim Chief Financial Officer from February 8, 2024 through October 31, 2024. Ms. Chivinski retired on December 31, 2024.
(12) Mr. McCollom separated from Fulton on February 8, 2024.
(13) Mr. Sridharan separated from Fulton on January 31, 2025.
(14) Includes 2,031 RSUs that will vest within 60 days of the Record Date.

Owners of More Than Five Percent

The following table sets forth information as to those persons or entities believed by the Company to be beneficial owners of more than 5% of Fulton's outstanding shares of common stock on the Record Date or as represented by the owner or as disclosed in certain reports regarding such ownership filed by such persons with Fulton and with the SEC in accordance with Sections 13(d) and 13(g) of the Exchange Act. Other than those persons listed below, Fulton is not aware of any person, as such term is defined in the Exchange Act, that beneficially owns more than 5% of Fulton's common stock as of the Record Date.

Name and Address of Beneficial Owner	Shares Owned	% of Class[1]
BlackRock, Inc.[2] 55 East 52nd Street New York, NY 10055	23,546,315	12.92%
The Vanguard Group[3] 100 Vanguard Blvd. Malvern, PA 19355	19,444,753	10.67%
Dimensional Fund Advisors LP[4] Building One 6300 Bee Cave Road Austin, TX 78746	11,918,842	6.54%
State Street Corporation[5] State Street Financial Center 1 Congress Street, Suite 1 Boston, MA 02114-2016	8,913,746	4.89%

(1) Based on 182,199,918 shares of Fulton common stock issued and outstanding as of the Record Date.
(2) Based on a Schedule 13G/A filed by BlackRock, Inc. with the SEC on January 23, 2024 that reported: (i) sole voting power as to 23,022,549 shares of Fulton common stock and (ii) sole dispositive power as to 23,546,315 shares of Fulton common stock.
(3) Based on a Schedule 13G/A filed by The Vanguard Group with the SEC on February 13, 2024 that reported: (i) sole voting power as to zero shares of Fulton common stock, (ii) sole dispositive power as to 19,123,055 shares of Fulton common stock, (iii) shared voting power as to 147,036 shares of Fulton common stock and (iv) shared dispositive power as to 321,698 shares of Fulton common stock.
(4) Based on a Schedule 13G/A filed by Dimensional Fund Advisors LP with the SEC on February 9, 2024 that reported: (i) sole voting power as to 11,737,936 shares of Fulton common stock and (ii) sole dispositive power as to 11,918,842 shares of Fulton common stock.
(5) Based on a Schedule 13G filed by State Street Corporation with the SEC on January 24, 2024 that reported: (i) shared voting power as to 1,016,254 shares of Fulton common stock, (ii) shared dispositive power as to 8,913,746 shares of Fulton common stock and (iii) ownership of 5.43% of Fulton common stock.

PROPOSAL 2

Advisory Vote on Executive Compensation

Proposal

We present our say-on-pay proposal annually. Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "**Dodd-Frank Act**") and Section 14A of the Exchange Act, this proposal provides our shareholders with the opportunity to vote to approve, on a non-binding advisory basis, compensation of Fulton's NEOs, as discussed in this Proxy Statement, including the CD&A. This proposal is not intended to address any specific item of compensation, but rather the overall compensation of our NEOs and the philosophy, policies and practices described in this Proxy Statement.

We ask our shareholders to indicate their support for our executive compensation program for our NEOs and vote "**FOR**" the following resolution at the Annual Meeting:

> **"RESOLVED, that the compensation paid to Fulton's Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby APPROVED."**

As an advisory vote, this proposal is not binding on the Board, the HR Committee or Fulton. The HR Committee, however, values the opinions expressed by our shareholders in their vote on this proposal and will consider the outcome of the vote when making future compensation decisions for our NEOs. The Board believes that the compensation of our NEOs is appropriate and should be approved on an advisory basis by our shareholders.

The Board unanimously recommends that shareholders vote "**FOR**" the approval of the compensation paid to Fulton's NEOs as disclosed in this Proxy Statement, including the CD&A, compensation tables and narrative discussion.

Vote Required

The affirmative vote of a majority of the shares for which votes are cast on the proposal at the Annual Meeting is needed to approve this proposal. Abstentions and broker non-votes will not be counted as votes cast and, therefore, will not affect this proposal. Further, the failure to vote, either by proxy or in person, will not have an effect on this proposal. Unless instructions to the contrary are specified in a proxy properly voted and returned through available channels, the proxies will be voted "**FOR**" this proposal.

INFORMATION CONCERNING EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

In this CD&A we explain the design of our 2024 executive compensation program for our NEOs, which consist of the CEO, Chief Financial Officer ("**CFO**"), the former Interim Chief Financial Officer, the former CFO, and our three other highest paid executive officers (collectively, "**NEOs**"). The HR Committee has designed our NEO compensation program to: (i) align our executive officers' interests with the interests of our shareholders, (ii) pay for performance and (iii) attract, motivate and retain executive officers.

Executive Summary

Our 2024 NEOs are listed below:

Named Executive Officers	
Curtis J. Myers	Chairman and CEO
Richard S. Kraemer(1)	Senior Executive Vice President and CFO
Angela M. Snyder	President
Meg R. Mueller	Senior Executive Vice President and Enterprise Credit Executive
Beth Ann L. Chivinski(2)	Former Senior Executive Vice President and former Interim CFO
Mark R. McCollom(3)	Former Senior Executive Vice President and former CFO
Karthik K. Sridharan(4)	Former Senior Executive Vice President and former Chief Operations and Technology Officer

(1) Mr. Kraemer was appointed CFO on November 1, 2024.
(2) Ms. Chivinski served as Senior Executive Vice President and Interim CFO from February 8, 2024 through October 31, 2024. Ms. Chivinski retired on December 31, 2024. Ms. Chivinski is continuing in a consulting capacity for six months beginning January 1, 2025 to ensure a continued, smooth transition of her duties and responsibilities.
(3) Mr. McCollom separated from Fulton on February 8, 2024.
(4) Mr. Sridharan separated from Fulton on January 31, 2025.

The following tables highlight the key factors and outcomes with respect to our 2024 financial performance and executive compensation program:

2024 Key Accomplishments and Financial Highlights
Executed: Successfully completed the largest acquisition in Company history.
Earnings Per Share: Diluted EPS of $1.57.
Net Interest Margin: Net interest margin of 3.42%.
Total Loans: Exceeded $24 billion in total loans.
Dividends: Declared $0.69 per share in dividends.

2024 Executive Compensation Highlights
Performance-Based Compensation: 70% of CEO total target compensation was performance-based.
Say-on-Pay Results: Approximately 96% approval of our executive compensation program.
Annual Cash Incentive Results: Earned at 111.21% of target.
Long-Term Incentives ("LTI"): Granted in the form of performance-based RSUs ("**Performance Shares**") that vest based on relative total shareholder return ("**TSR**") and time-based RSUs.
2021 Long-Term Performance-Based Awards Results: The equity awards granted in 2021 vested in 2024 based on the following performance goals: (i) the TSR performance relative to peers was at the 78.57 percentile resulting in a 150.00% award vesting as a percentage of target for that component and (ii) the achievement of net income during the performance period of January 1, 2023 to December 31, 2023, sufficient to cover all dividends, if any, declared and paid to shareholders during the last four full quarters prior to the date of grant was met resulting in a 100% award vesting for that component.

Executive Compensation Philosophy

Our executive compensation philosophy and program are intended to achieve the following three objectives:

Align executive officer interests with shareholder interests	The interests of our executive officers should be closely aligned with our shareholders using key financial measures that contribute to long-term shareholder value.
Link pay to performance	A close link should exist between our executive officer compensation and our overall performance on both a short- and long-term basis. We seek to reward our executive officers for their contributions to our financial and non-financial achievements and to differentiate rewards to our executive officers based on their individual contributions.
Attract, motivate and retain executive officers	Our compensation program is designed to attract, motivate and retain highly talented executive officers.

Summary of Executive Compensation Practices

Our HR Committee regularly reviews our compensation practices and policies to ensure that they further our executive compensation philosophy. Below is a summary of certain of our corporate governance and compensation practices. The HR Committee believes our corporate governance and compensation practices closely align with the interests of our shareholders.

CORPORATE GOVERNANCE AND COMPENSATION PRACTICES

What We Do

- ✓ HR Committee comprised exclusively of independent directors
- ✓ Align our executive compensation policy with business goals and shareholder interests
- ✓ Annual say-on-pay vote
- ✓ Independent executive compensation consultant
- ✓ Pay for performance – a substantial portion of executive compensation is variable or at risk
- ✓ LTI compensation aligned with shareholder interests and financial objectives
- ✓ NEO stock ownership requirements
- ✓ Rigorous compensation clawback policies that exceed Nasdaq requirements
- ✓ Evaluate and update the composition of our peer group on an annual basis
- ✓ Maintain effective balance of short- and long-term incentives
- ✓ Double-trigger change-in-control cash severance and equity vesting provisions
- ✓ Annual incentive compensation risk assessment
- ✓ Cap on NEO incentive compensation payments

What We Do Not Do

- ⃠ Permit hedging or pledging by executives
- ⃠ Spring-loading with respect to equity awards
- ⃠ Provide excise tax gross-ups in any NEO employment or change-in-control agreements
- ⃠ Reward executives for taking excessive, inappropriate or unnecessary risks
- ⃠ Allow the repricing of equity awards without shareholder approval
- ⃠ Allow the backdating of equity awards
- ⃠ Provide multi-year guaranteed salary increases or non-performance bonus arrangements (other than guaranteed minimum bonuses for the year of hire used as a tool to attract new talent)
- ⃠ Rely exclusively on one metric in our executive compensation program

Pay for Performance

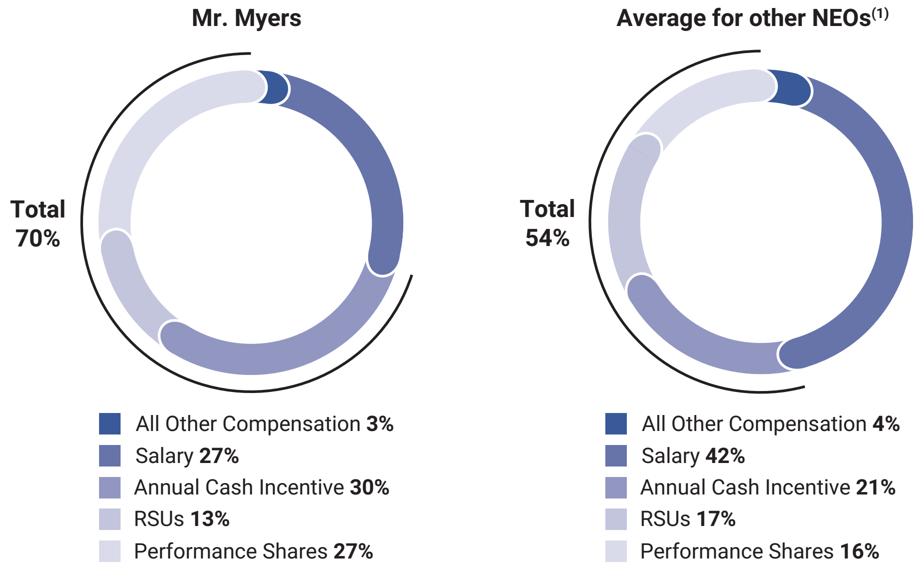
Our compensation philosophy is designed to align pay for performance on both a short- and long-term basis. We believe that the compensation of our executive officers should reflect Fulton's overall performance as well as each individual executive officer's specific contributions to that performance.

We believe that a significant portion of our executive officers' total compensation should be "performance-based" and "at-risk," meaning that its payment or vesting is based upon the achievement of predefined performance metrics. We also believe that a significant portion should be "variable," meaning that actual compensation paid to our NEOs will increase or decrease based on the achievement of pre-determined performance metrics.

A significant portion of pay "at-risk" motivates our executives to achieve performance goals and create value for our shareholders.

- The ***annual incentive bonus awards*** are earned by our executives for the achievement of short-term performance goals and how well we perform relative to the industry and our peers. The amount paid is tied to the level of achieved performance, with higher payout levels reflecting superior performance.
- Our ***long-term, performance-based equity awards*** reward our executives for achieving long-term performance goals while contributing to increased shareholder value. A portion of our long-term incentive awards are also tied to our performance relative to our peer group.

As reflected in the charts below, approximately 70% of our CEO's target total 2024 compensation was "variable" or "at-risk," and an average of approximately 54% of our other NEOs' target total 2024 compensation was "variable" or "at-risk."



(1) Mr. McCollom separated from Fulton on February 8, 2024. Pursuant to the terms of his separation agreement, Mr. McCollom received a separation payment of $325,000. This separation payment was excluded in determining the average All Other Compensation paid to the other NEOs.

Executive Compensation Decision-Making Process

HR Committee

The HR Committee is currently comprised of four independent directors who are appointed on an annual basis.

The HR Committee is responsible for establishing and overseeing our executive compensation program in alignment with Fulton's compensation philosophy. We do not have an exact formula or policy with regard to the allocation of compensation between cash and non-cash elements. The HR Committee determines the amount and type of our executive compensation considering: (i) publicly available peer executive compensation information and regional and community banking survey data, (ii) advice from our independent compensation consultant, (iii) the complexity, scope and responsibilities of the individual's position and (iv) the CEO's recommendations with respect to the other NEOs. The CEO is not involved in discussions and determinations related to his own compensation.

The HR Committee reviews and approves NEO base salaries and other compensation paid to the NEOs other than the CEO. The independent directors of the Board review and approve compensation decisions for the CEO. The HR Committee also administers Fulton's equity and other compensation components.

Management

Certain members of our executive management team attend regular HR Committee meetings at which Fulton's performance and competitive compensation levels are discussed and evaluated. These executive management team members provide information and recommendations to the HR Committee with respect to our executive compensation design.

The CEO, with the HR Committee and without any other NEO present, reviews the performance of all NEOs other than the CEO. The HR Committee, without the CEO present, periodically reviews the CEO's overall performance.

In 2024, the HR Committee determined the compensation of the NEOs other than the CEO. The Board determined the CEO's 2024 compensation in executive session with only independent directors present.

Independent Compensation Consultant

In 2024, the HR Committee retained Frederic W. Cook & Co., Inc. ("**FW Cook**") as its independent compensation consultant. FW Cook performed a variety of assignments during 2024, including: (i) conducting an NEO compensation market analysis, (ii) designing our executive compensation program including our annual cash incentive compensation awards ("**VCP**") and equity awards, (iii) reviewing our director compensation program and (iv) providing general compensation advice regarding our NEOs. As part of FW Cook's 2024 engagement, the HR Committee also instructed FW Cook to compare Fulton's current compensation practices and executive compensation programs to our peers, evolving industry best practices and regulatory guidance.

In 2024, FW Cook and its affiliates did not provide any services to Fulton or its affiliates other than FW Cook's services as independent compensation consultant. The HR Committee considered the independence of FW Cook for the 2024 engagement in light of SEC rules and Nasdaq listing standards related to compensation committee consultants. The HR Committee concluded that the work performed by FW Cook did not raise any conflict of interest and it further concluded that FW Cook satisfied SEC rules and Nasdaq listing standards with respect to compensation committee consultants.

2024 Peer Group

As part of its annual review of our executive compensation program, the HR Committee, with FW Cook's assistance, established a peer group (the "**2024 Peer Group**"), based on a number of factors, including asset size, revenue composition, number of employees, market capitalization, geographic location, business model and composition of shareholder base. The HR Committee considered the 2024 Peer Group data, as well as other relevant data provided by FW Cook, in establishing 2024 base salaries, 2024 annual cash incentive compensation awards ("**VCP Awards**") and setting LTI award levels granted in the form of RSUs and Performance Shares.

2024 Peer Group		
Atlantic Union Bankshares Corporation	Northwest Bancshares, Inc.	United Bankshares, Inc.
Cadence Bank	Old National Bancorp	United Community Banks, Inc.
Columbia Banking System, Inc.[(1)]	Prosperity Bancshares, Inc.	Valley National Bancorp
Commerce Bancshares, Inc.	Provident Financial Services, Inc.	Wintrust Financial Corporation
F.N.B. Corporation	Simmons First National Corporation	WSFS Financial Corporation
Hancock Whitney Corporation	Trustmark Corporation	
Independent Bank Corporation	UMB Financial Corporation	

(1) Added as a peer in 2024 in connection with its 2024 Umpqua Holdings Corporation acquisition.

The HR Committee removes peer group companies upon the announcement that a peer group company is being acquired or is involved in a significant merger and acquisition transaction. The 2024 Peer Group is set forth below:

Shareholder Say-on-Pay Proposal Historical Results

The Board and the HR Committee consider the non-binding advisory say-on-pay vote as a barometer of shareholder support for our executive compensation program. Below are our say-on-pay votes for the past five years:

Year	2024	2023	2022	2021	2020
% Voted "FOR"	95.87%	96.41%	96.95%	97.17%	97.45%

These prior say-on-pay votes confirm shareholder support of our compensation philosophy and objective of linking executive compensation to performance delivery and shareholder value creation.

Compensation Plan Risk Review

At its January 2025 meeting, the HR Committee conducted its annual incentive compensation plan risk assessment review. The HR Committee received an incentive compensation plan risk assessment report from management, and the HR Committee determined that our incentive compensation design and plans do not promote undue risk taking.

Elements of Our Executive Compensation Program

Our executive compensation program currently provides for a mix of base salary, VCP Awards and long-term, equity-based incentive awards ("**LTI Awards**"). The HR Committee reviews these components and the effectiveness of our compensation program annually. The HR Committee generally targets a range around the median of our peer group for positioning target total direct NEO compensation. The purpose and key features of each element of our executive compensation program are as follows:

2024 CEO Actual Direct Compensation	Average for Other NEOs' Actual Direct Compensation	Purpose and Key Features
Base Salary		
27%	42%	**Purpose:** Attract, motivate and retain NEOs. **Key Feature:** Base salary based on NEO's position, experience, responsibilities and performance.
Annual Cash Incentive Awards – VCP Awards		
30%	21%	**Purpose:** Reward NEOs for the achievement of certain short-term financial, risk management and business goals. **Key Feature:** Reward NEOs for performance relative to the goals contained in our VCP scorecard.
Equity Awards – LTI Awards		
40%	33%	**Purpose:** Focus NEOs' attention on delivering long-term performance results that increase shareholder value. **Key Feature:** Reward NEOs for our relative TSR performance and encourage retention through time-based RSUs.
All Other Compensation[(1)]		
3%	4%	**Purpose:** Attract and retain NEOs. See below under heading "Other Compensation Elements" for a description of the items included in "All Other Compensation."

(1) Mr. McCollom separated from Fulton on February 8, 2024. Pursuant to the terms of his separation agreement, Mr. McCollom received a separation payment of $325,000. This separation payment was excluded in determining the average All Other Compensation paid to the other NEOs.

Base Salary

The HR Committee is responsible for setting senior executive officer base salaries other than for our CEO. The HR Committee considers base salary levels as part of its process of ensuring that each senior executive officer's overall compensation package is competitive, including annual and long-term incentives, the target amounts of which are generally based on a percentage of base salary.

Our NEO base salaries are set within a competitive range around Fulton's peer median based upon the NEOs' position, experience, responsibilities and performance. In 2024, the HR Committee examined the compensation levels of our NEOs based on the market analysis performed by FW Cook in order to appropriately compare the compensation of our NEOs to the compensation paid by other companies with which we compete for talent. The HR Committee increased the base salary of Mr. Myers based on the CEO market analysis performed by FW Cook to provide closer alignment of Mr. Myers with the peer CEO median. The other NEO salary increases were in connection with role changes.

Below are the 2023 and 2024 base salaries for each of the NEOs as of April of each year.

NEO	2023 Base Salary	2024 Base Salary	% Change
Curtis J. Myers	$850,000	$920,000	8.23%
Richard S. Kraemer(1)	-	$550,000	-
Angela M. Snyder(2)	$500,000	$550,000	10.0%
Meg R. Mueller	$433,290	$433,290	-
Beth Ann L. Chivinski(3)	$428,891	$500,000	16.58%
Mark R. McCollom(4)	$500,000	-	-
Karthik K. Sridharan(5)	$450,000	$450,000	-

(1) Mr. Kraemer was appointed CFO on November 1, 2024.
(2) Ms. Snyder's base salary increased as a result of being appointed to President on January 1, 2024.
(3) Ms. Chivinski's base salary increased in February 2024 as a result of being appointed the Interim CFO.
(4) Mr. McCollom separated from Fulton on February 8, 2024.
(5) Mr. Sridharan separated from Fulton on January 31, 2025.

Annual Cash Incentives – VCP Awards

Overview

The HR Committee uses a scorecard approach to determine the VCP Award funding level, which we also refer to as the VCP payout. The HR Committee retains discretion to increase or decrease any VCP Award subject to a cap on individual awards of 200% of the target award.

2024 Scorecard Performance Metrics

In March 2024, the HR Committee approved the scorecard performance metrics for the 2024 VCP Awards (the "**2024 Scorecard**") which calculates the performance of each scorecard metric individually with a threshold performance payout of 50% and maximum performance payout of 200%. In 2024, the scorecard calculation was changed from a composite score calculation methodology to an individual metric calculation. These design changes brought the 2024 Scorecard into better alignment with standard market practice for enterprise-wide plan design and supports Fulton's continued focus on enhancing our performance-based culture. The 2024 Scorecard included key objectives in the following three categories: "Financial Results," "Risk Management" and "Business Objectives." The HR Committee believes each of these objectives is a key driver of Fulton's performance and aligns Fulton and its NEOs' focus on continued long-term shareholder value creation.

Compared to the scorecard used for VCP awards in 2023, the 2024 Scorecard reflects adjustments to the goals and weightings within the Financial Results and Business Objectives categories. In addition, the 2024 Scorecard Financial Results target performance metrics were generally lower than those used in 2023, primarily reflecting the expected impact on Fulton's financial performance due to an anticipated decline in short-term interest rates. The interest rate environment, which is an exogenous factor, is a significant driver of our profitability. As such, our target goals for 2024 reflected the negative 80-basis point projected twelve-month forward move in the Federal Funds Rate from the mid-point of the range as of December 2023. At the time we set our goals, we believed this was consistent with the broad trend expected by our peers and the banking industry.

In evaluating our actual financial results relative to established scorecard performance goals, the HR Committee typically excludes unusual items and items that do not occur on a regular basis, such as acquisition-related expenses, gains or losses on asset dispositions and other similar items in a manner consistent with how we disclose certain financial metrics that are not determined in accordance with generally accepted accounting principles ("**GAAP**") in our earnings releases and other SEC filings. In evaluating our actual 2024 financial results relative to 2024 Scorecard performance goals, the HR Committee determined to also exclude the impacts of our purchase of substantially all of the assets and the assumption of substantially all of the deposits and certain other liabilities of Republic First Bank from the Federal Deposit Insurance Corporation on April 26, 2024 and our issuance of additional shares of common stock on May 1, 2024, which had a significant impact on our 2024 financial results and were not contemplated by the HR Committee at the time the 2024 Scorecard goals were established. The adjustments that were made to our actual 2024 EPS, return on average equity ("**ROE**"), operating expense to average assets, efficiency ratio and non-performing assets to total assets are reconciled in Annex A to this Proxy Statement.

Our 2024 performance goals, target performance metrics and relative weightings, as reflected in our 2024 Scorecard, were as follows:

2024 Scorecard Matrix

Performance Categories	Performance Sub-categories[1]					
	Score Rating	(Threshold) 50% Payout	(Target) 100% Payout	150% Payout	(Max) 200% Payout	**Weight**
Financial Results	**Adjusted EPS**	$1.40	$1.56	$1.72	$1.87	30%
	Adjusted ROE	8.78%	9.75%	10.73%	11.70%	20%
	Adjusted Operating Expense/ Average Assets	2.51%	2.45%	2.39%	2.33%	10%
	Adjusted Efficiency Ratio	65.10%	63.50%	61.90%	60.30%	10%
Risk Management						**Weight**
	Capital, Liquidity, Management, Market Risk and Consumer Compliance					10%
	Asset Quality: Adjusted Non-performing Assets to Total Assets					10%
Business Objectives						**Weight**
	2024 Company-wide Employee Engagement Index (All Employees)					10%

(1) Interpolated on a straight-line basis.

Target VCP Opportunities

In February 2024, the HR Committee approved the target VCP opportunities for each NEO with a payout range of 0% to 200% of target based on performance achievement against pre-established goals. In addition to this payout range, the HR Committee has the ability to modify individual payouts based on its holistic evaluation of Company and individual performance. The application of any modifier for an NEO would be informed by tailored individual goals without any specific weighting. The following table shows each NEO's VCP opportunity range:

2024 VCP Award Matrix			
	Payment as a % of 2024 Eligible Earnings(1)		
NEO	VCP Threshold (50% of Target) Scorecard Result	VCP Target (100% of Target) Scorecard Result	VCP Maximum (200% of Target) Scorecard Result
Curtis J. Myers	50%	100%	200%
Richard S. Kraemer(2)	35%	70%	140%
Angela M. Snyder	35%	70%	140%
Meg R. Mueller	25%	50%	100%
Beth Ann L. Chivinski(3)	35%	70%	140%
Mark R. McCollom(4)	35%	70%	140%
Karthik S. Sridharan(5)	25%	50%	100%

(1) For purposes of determining VCP Awards, eligible earnings are the actual 2024 base salary earnings paid to the NEOs.
(2) Mr. Kraemer was hired on September 3, 2024 and had a guaranteed minimum VCP payment of $385,000.
(3) Ms. Chivinski retired on December 31, 2024.
(4) Mr. McCollom separated from Fulton on February 8, 2024.
(5) Mr. Sridharan separated from Fulton on January 31, 2025.

VCP Payout Potential

In determining the VCP payout potential for each NEO, the HR Committee approved the following 2024 Scorecard matrix ("**2024 Scorecard Matrix**"):

VCP Scorecard Composite Score	VCP Payout Potential(1)
Threshold	50%
Target	100%
Maximum	200%

(1) Payouts are interpolated on a straight-line basis.

2024 Scorecard Results

The following table shows Fulton's actual 2024 results with respect to the 2024 Scorecard:

Final 2024 Scorecard Matrix								
Performance Categories	**Performance Sub-categories[1]**							
	Score Rating	(Threshold) 50% Payout	(Target) 100% Payout	150% Payout	(Max) 200% Payout	**Weight**	**Actual Performance**	**Payout Percentage**
Financial Results	**Adjusted EPS[2]**	$1.40	$1.56	$1.72	$1.87	30%	$1.68	41.35%
	Adjusted ROE[2]	8.78%	9.75%	10.73%	11.70%	20%	10.58%	28.47%
	Adjusted Operating Expense/ Average Assets[2]	2.51%	2.45%	2.39%	2.33%	10%	2.52%	0.00%
	Adjusted Efficiency Ratio[2]	65.10%	63.50%	61.90%	60.30%	10%	62.94%	11.76%
						Weight	**Actual Performance**	**Payout Percentage**
Risk Management	Capital, Liquidity, Management, Market Risk and Consumer Compliance					10%	4	15.00%
	Asset Quality: Adjusted Non-performing Assets to Total Assets[2]					10%	0.73%	5.90%
						Weight	**Actual Performance**	**Payout Percentage**
Business Objectives	2024 Company-wide Employee Engagement Index (All Employees)					10%	67.46%	8.73%
						Total Funding %		**111.21%**

(1) Interpolated on a straight-line basis.
(2) Non-GAAP financial measure. For more information regarding the calculation of non-GAAP financial measures included in this section, please refer to the section titled "Non-GAAP Reconciliations" included in Annex A to this Proxy Statement.

2024 VCP Award Compensation Payouts

Below are the NEOs' 2024 VCP Award target and 2024 VCP Award paid based on a scorecard of 111.21% of target:

NEO	2024 VCP Award Target	2024 VCP Award Paid
Curtis J. Myers	$901,154	$1,002,173
Richard S. Kraemer[(1)]	$116,981	$130,095
Angela M. Snyder	$385,000	$428,159
Meg R. Mueller	$216,645	$240,931
Beth Ann L. Chivinski[(2)]	$344,257	$382,848
Mark R. McCollom[(3)]	-	-
Karthik K. Sridharan[(4)]	$225,000	$250,222

(1) Mr. Kraemer had a minimum guaranteed 2024 VCP payment of $385,000 per the terms of his employment offer.
(2) Ms. Chivinski served as Interim CFO from February 8, 2024 through October 31, 2024. Ms. Chivinski retired on December 31, 2024.
(3) Mr. McCollom did not receive a VCP Award because he separated from Fulton prior to the VCP Award payment date.
(4) Mr. Sridharan separated from Fulton on January 31, 2025.

Equity Awards – LTI Awards

Overview

In 2024, LTI Awards were granted to our NEOs in the form of Performance Shares and RSUs. LTI Awards are awarded to focus each of our NEO's attention on delivering long-term performance results that increase shareholder value.

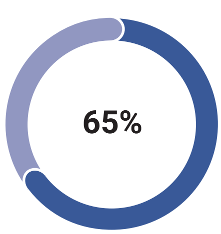
Performance Shares that vest, together with accrued dividend equivalent units, are settled in shares of Fulton common stock on a one-for-one basis. Dividend equivalent units will not be paid unless the Performance Shares vest.

RSUs, together with accrued dividends, are settled in shares of Fulton common stock. Dividend equivalent units are not paid until the RSUs vest.

The LTI Awards granted in 2024 are summarized below:

2024 Equity Award Structure

Performance Shares



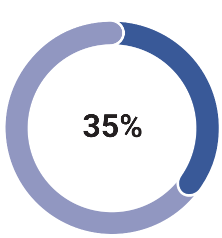
Allocation: 65%

Grant Date: May 1, 2024

Performance Period: May 1, 2024 – March 31, 2027

Vesting: Relative TSR to 2024 Peer Group determines the number of Performance Shares earned for the performance period

RSUs



Allocation: 35%

Grant Date: May 1, 2024

Vesting: 3-year, time-based cliff vesting

Award Opportunities

The number of Performance Shares and RSUs awarded to each of the NEOs is based on a target opportunity amount that may be adjusted at the discretion of the HR Committee. For 2024, the target award opportunities (as a percentage of each NEO's base salary) were as follows:

	2024 LTI Target Opportunity[1]		
NEO	**LTI Minimum (0% of Target)**	**LTI Target**	**LTI Maximum (125% of Target)**
Curtis J. Myers	0%	135%	168.75%
Richard S. Kraemer[2]	0%	0%	0%
Angela M. Snyder	0%	100%	125.00%
Meg R. Mueller	0%	75%	93.75%
Beth Ann L. Chivinski[3]	0%	100%	125.00%
Mark R. McCollom[4]	0%	100%	125.00%
Karthik K. Sridharan[5]	0%	75%	93.75%

(1) 2024 LTI target opportunity is a percentage of the NEOs' base salary as of January 1, 2024.
(2) Mr. Kraemer was hired after the May 1, 2024 grant date and therefore was not eligible for a grant.
(3) Ms. Chivinski served as Interim CFO from February 8, 2024 through October 31, 2024. Ms. Chivinski retired on December 31, 2024.
(4) As a result of Mr. McCollom's separation from Fulton on February 8, 2024, Mr. McCollom did not receive a 2024 LTI Award. The percentages in this table for Mr. McCollom represent his 2024 LTI opportunity prior to his separation.
(5) Mr. Sridharan separated from Fulton on January 31, 2025.

The actual payout of the Performance Shares portion of the LTI award is based on 2024 Peer Group performance from May 1, 2024 through March 31, 2027 using the following pay line:

TSR Performance Pay Line	LTI TSR Payout Potential
TSR Threshold – 25th percentile	50%
TSR Target – 50th percentile	100%
TSR Maximum – 75th percentile or greater	150%

The actual number of shares of Fulton common stock, if any, issued upon vesting may be higher or lower than the number of Performance Shares granted to the NEOs based on the attainment of the performance goal underlying the Performance Shares.

The 2024 grant date fair value of the LTI awards and the total number of Performance Shares and RSUs awarded are set forth below:

NEO	2024 Grant Date Fair Value of LTI Award(1)	Performance Shares Awarded-Subject to TSR Performance	RSUs Awarded
Curtis J. Myers	$1,329,526	46,341	24,953
Richard S. Kraemer(2)	-	-	-
Angela M. Snyder	$637,240	22,212	11,959
Meg R. Mueller	$376,515	13,124	7,066
Beth Ann L. Chivinski(3)	$496,928	17,321	9,326
Mark R. McCollom(4)	-	-	-
Karthik K. Sridharan(5)	$391,024	13,630	7,338

(1) Based on the $16.90 May 1, 2024 grant date fair value.
(2) No grant was made to Mr. Kraemer because he was hired after the May 1, 2024 grant date.
(3) Ms. Chivinski served as Interim CFO from February 8, 2024 through October 31, 2024. Ms. Chivinski retired on December 31, 2024.
(4) As a result of his separation from Fulton on February 8, 2024, Mr. McCollom was not eligible for a 2024 LTI Award.
(5) Mr. Sridharan separated from Fulton on January 31, 2025 and forfeited his 2024 Performance Shares.

Payout of 2021 Performance-Based Equity Awards

Fulton granted to the NEOs on May 1, 2021 performance share unit awards (the "**2021 Performance Share Award**") that vested on May 1, 2024 based on the achievement of the performance goals. The performance metric targets and results are as follows:

2021 Performance Share Award Metrics	Weighting	Performance Period Targets	Actual Results	% of Payment
3-year TSR	65.0%	TSR Relative to 2020 Peer Group from May 1, 2021 to March 31, 2024	78.57 Percentile	150.00%
Profit Trigger	35.0%	Achievement of net income by Fulton during the performance period of January 1, 2023 to December 31, 2023 sufficient to cover all dividends if any, declared and paid to shareholders during the last four full quarters prior to the grant date	100.00%	100.00%
			Total Payout as a % of Target	132.50%

With respect to the 2021 Performance Share Award, the total number of Performance Shares awarded, the grant date fair value of Performance Shares awarded, the total number of shares of Fulton common stock issued upon vesting and the total value of shares of Fulton common stock issued upon vesting are as follows:

NEO	Total Number of Performance Shares Awarded	Grant Date Fair Value of Performance Shares Awarded	Total Number of Shares of Fulton Common Stock Issued upon Vesting	Total Value of Shares of Fulton Common Stock Issued upon Vesting(1)
Curtis J. Myers	32,903	$558,644	49,653	$839,140
Richard S. Kraemer(2)	-	-	-	-
Angela M. Snyder	17,358	$294,713	26,195	$442,688
Meg R. Mueller	17,358	$294,713	26,195	$442,688
Beth Ann L. Chivinski	17,182	$291,725	25,929	$438,202
Mark R. McCollom(3)	25,549	$433,784	-	-
Karthik K. Sridharan(2)	-	-	-	-

(1) Shares valued at $16.90 per share on the May 1, 2024 vesting date. Vested amounts include accrued dividend equivalent units.
(2) Mr. Kraemer and Mr. Sridharan were hired after 2021 and therefore did not receive a 2021 Performance Share award.
(3) As a result of his separation from Fulton on February 8, 2024, Mr. McCollom forfeited his 2021 Performance Share Award.

Other Compensation Elements

Employee Stock Purchase Plan. The ESPP is designed to advance the interests of Fulton and its shareholders by encouraging employees to acquire a stake in our future by purchasing shares of Fulton common stock. We limit payroll deduction and annual employee participation to $15,000. The NEOs are eligible to purchase shares through the ESPP at a discount, currently 15%, on the same basis as other employees participating in the ESPP.

Defined Contribution Plan – 401(k) Plan. Fulton provides the 401(k) Plan to the NEOs and other employees that allows employees to defer a portion of their compensation and contribute such amount to the 401(k) Plan on a pre-tax basis. For 2024, Fulton matched 100% of employee contributions, up to 5% of eligible compensation, subject to contribution limits imposed by the Internal Revenue Code of 1986, as amended (the "**Tax Code**").

Deferred Compensation Plan. Fulton's nonqualified DCP permits non-employee directors to elect to defer receipt of cash director fees. The DCP also enables us to credit certain senior officers, including the NEOs, with full-employer matching contributions each year equal to the contributions they would have otherwise been eligible to receive under the 401(k) Plan notwithstanding the contribution limits imposed by the Tax Code. Under the DCP, eligible employees, including the NEOs, may elect to defer receipt of up to 90% their base salary and/or up to 90% of their annual cash incentive or bonus payments. Depending on the NEOs' specific election, payments may be made as a lump sum or in equal installments over a specified period of time. With respect to deferrals made in or after 2021, payments begin on the first day of the seventh month after termination. With respect to deferrals made in or prior to 2020, payments may begin upon the later of age 62 or the NEOs' termination date. Both employee and employer contributions are 100% vested immediately.

Death Benefits. In the event an NEO dies while actively employed by Fulton, such NEO's estate or beneficiaries are eligible for a payment equal to two times the NEO's base salary (plus an amount equal to applicable individual income taxes due on such amounts) pursuant to individual death benefit agreements between Fulton and that NEO.

In addition, under the terms of their death benefit agreements, Mr. Myers and Messes. Chivinski and Snyder would each receive a reduced, post-retirement death benefit of $5,000. The other NEOs are not eligible for any post-retirement death benefit.

Health, Dental and Vision Benefits. We offer a comprehensive benefits package for health, dental and vision insurance coverage for all full-time employees, including the NEOs and their eligible spouses and dependents. We pay a portion of the premium for the coverage selected, and the amount paid varies with each health, dental and vision plan.

Other NEO Benefits. We provide our NEOs with a variety of other perquisites and personal benefits that the HR Committee believes are necessary to facilitate Fulton's business operations, including a company-owned automobile or a car allowance, club memberships and other executive benefits. These benefits enable us to attract and retain talented senior officers for key positions. The 2024 amounts are included in the "All Other Compensation" column of the "Summary Compensation Table."

Executive Compensation Policies

Stock Hedging and Pledging Policy and Stock Trading Procedures

We have an Insider Trading Policy that requires all directors, officers, and employees of Fulton to adhere to certain rules when trading in our securities. Among other requirements, directors, officers and employees of Fulton that know of material, non-public information regarding Fulton may not: (i) buy or sell Fulton securities while the information remains non-public or (ii) disclose the information to relatives, friends or any other person. In addition, we prohibit our NEOs from engaging in hedging and other speculative transactions involving our securities, including "short sales," "puts," and pledging our securities. Fulton's NEOs are also prohibited from holding Fulton securities in a margin account or otherwise pledging Fulton securities as collateral for a loan and must provide advance notice of any sale, purchase, stock option exercise, gift or other transfer of Fulton securities, including by members of the NEOs' immediate family sharing the same household, or any corporation, partnership or trust in which any such person has an economic interest or investment control.

Stock Ownership Guidelines

Pursuant to the Guidelines, stock ownership for Fulton's executive officers is calculated as a multiple of each of the NEO's annual base salary as follows:

NEO Position	Minimum Ownership of Fulton Common Stock (Multiple of Base Salary)
CEO	6.0
President	3.0
CFO	3.0
Other NEOs	2.0

Compliance with our stock ownership guidelines is determined on an annual basis. The Guidelines require that each executive officer comply with our stock ownership requirements within five years after the later of: (i) first being appointed to his or her position, (ii) being hired by Fulton or (iii) a change in the minimum ownership requirement. Stock ownership excludes Fulton stock options and unvested equity awards, but includes all other shares beneficially owned and reported on an individual's Form 3, 4 or 5 filed with the SEC, including shares owned individually, deferred vested stock unit awards, shares held in retirement accounts, indirect ownership and jointly held shares of Fulton common stock. As of December 31, 2024, Mr. Myers has until December 31, 2028 to comply with the stock ownership guideline requirements. Ms. Snyder and Mr. Kraemer have until December 31, 2029 to comply with the stock ownership guideline requirements. Except for Mr. Sridharan (who, prior to his departure, had until December 31, 2028 to comply with his stock ownership guideline requirements), all of the other NEOs who were employed by Fulton on December 31, 2024 satisfied their respective stock ownership guideline requirements.

Clawback Policies

Fulton maintains two distinct clawback policies – its Amended and Restated Compensatory Recovery "Clawback" Policy (the "**Clawback Policy**") and its Mandatory Recovery of Compensation Policy (the "**Mandatory Clawback Policy**").

Our Clawback Policy contains clawback provisions for all participants, including the NEOs, with respect to performance-based compensation, including VCP Awards and Performance Shares. The Clawback Policy identifies the events that may give rise to a clawback, including: (i) any accounting restatement due to Fulton's material noncompliance with any financial reporting requirement under applicable securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period, (ii) there is a material inaccuracy in the calculation of Fulton's performance metrics used to determine incentive compensation or (iii) there is a material violation of our Code of Conduct resulting in a negative financial impact to Fulton.

Our Board also adopted a separate and distinct Mandatory Clawback Policy that applies to any performance-based compensation paid to executive officers, including the NEOs. Except as provided in the Mandatory Clawback Policy, if Fulton is required to prepare any accounting restatement due to Fulton's material noncompliance with any financial reporting requirement under applicable securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period, then the Board will recover any recoverable amount of any incentive compensation received by a current or former executive officer. The recoverable amount will be repaid to Fulton within a reasonable time after the current or former executive officer is notified of the recoverable amount. Recovery under the Mandatory Clawback Policy will apply regardless of any misconduct, fault, or illegal activity of Fulton, the executive officer, or the Board.

Practices Related to the Grant of Certain Equity Awards Close in Time to the Release of Material Nonpublic Information

Other than through participation in our ESPP, we did not grant any options to any employee or other service provider in 2024, and as of December 31, 2024, we had no options outstanding that were granted to any employee or other service provider. With respect to our annual equity awards, the dollar value of such awards to be granted to the NEOs are typically approved at a meeting held in February of each year by the Board, in the case of Mr. Myers, and by the HR Committee, in the case of the other NEOs. The grant date for those annual equity awards is May 1 of each year. The dollar value of the annual equity awards to the NEOs is converted into shares by dividing the dollar value of each annual equity award by the closing price of our common stock on the grant date or, if the grant date is not a business day, then the next preceding business day, rounded down to the nearest whole share. The Board and the HR Committee do not take into account material nonpublic information when determining the timing and terms of annual equity awards to our NEOs. We have not timed the disclosure of material nonpublic information for the purpose of affecting the value of executive compensation.

Tax Deductibility of Compensation Expense

Section 162(m) of the Tax Code generally places a $1 million limit on the amount of compensation a company can deduct in any one year for certain executive officers. While the HR Committee considers the deductibility of awards as one factor in determining executive compensation, the HR Committee also looks at other factors in making its decisions, as detailed in the CD&A, and retains the flexibility to award compensation that it determines to be consistent with the goals of our executive compensation program even if the awards are not deductible by us for tax purposes.

CEO Pay Ratio Disclosure

We are providing the following information about the annual total compensation of our median employee ("**Median Employee**") and the annual total compensation of our CEO:

Pay Ratio Summary
• The 2024 annual total compensation of our Median Employee (other than our CEO) was $68,288.
• The 2024 annual total compensation of our CEO, as reported in the Summary Compensation Table, was $3,337,831.
• For 2024, the ratio of the annual total compensation of our CEO to our Median Employee was 48.88 to 1.

Our pay ratio estimate was calculated in a manner consistent with Item 402(u) of Regulation S-K using the data and assumptions summarized below.

As of December 31, 2024, we identified a new Median Employee because the previous Median Employee moved to a different position and had a significant compensation change in 2024. We determined the new Median Employee by comparing the total compensation in Box 5 on the 2024 W-2 tax statements for our employee population as of December 31, 2024. We identified our Median Employee using this consistently applied compensation measure (excluding our CEO and employees that departed our workforce prior to December 31, 2024). In making this determination, we annualized the compensation of permanent full-time employees who were hired in 2024 and did not work for us during our entire fiscal year but were still employed as of December 31, 2024.

For the 2024 pay ratio, we combined all of the elements of such employee's compensation for 2024 consistent with the requirements of Item 402(c)(2)(x) of Regulation S-K. For our CEO, the same process and amount reported in the "Total" column of our 2024 Summary Compensation Table ("**SCT**") was used.

HR Committee Report

The HR Committee reviewed and discussed with management the foregoing Compensation Discussion and Analysis and, based on the review and discussions, the HR Committee recommended to the Board that the Compensation Discussion and Analysis be incorporated in this Proxy Statement.

HR Committee
Ronald H. Spair, Chair
Lisa Crutchfield, Vice Chair
Steven S. Etter
James R. Moxley III

Summary Compensation Table

Name and Principal Position[1]	Year	Salary ($)	Bonus ($)	Stock Awards[2] ($)	Non-Equity Incentive Plan Compensation[3] ($)	All Other Compensation[4] ($)	Total ($)
Curtis J. Myers *Chairman of the Board and CEO (PEO)*	2024	901,154	-	1,329,526	1,002,173	104,977	3,337,830
	2023	850,000	-	954,757	382,500	122,183	2,309,440
	2022	638,057	-	626,009	767,423	107,556	2,139,045
Richard S. Kraemer[5] *Senior Executive Vice President and CFO (PFO)*	2024	167,115	298,064	749,997	130,095	14,230	1,359,501
	2023	-	-	-	-	-	-
	2022	-	-	-	-	-	-
Angela M. Snyder[6] *President*	2024	550,000	-	637,240	428,159	72,181	1,687,580
	2023	500,000	-	468,014	175,000	65,881	1,208,895
	2022	459,865	-	378,563	390,426	55,414	1,284,268
Meg R. Mueller[7] *Senior Executive Vice President and Enterprise Credit Executive*	2024	433,290	-	376,515	240,931	53,409	1,104,145
	2023	428,803	-	292,475	107,201	48,819	877,298
	2022	413,358	-	300,235	292,451	50,505	1,056,549
Beth Ann L. Chivinski[8] *Senior Executive Vice President and former Interim CFO (Former PFO)*	2024	491,795	-	496,928	382,848	32,591	1,404,162
	2023	424,450	-	289,507	106,112	38,527	858,596
	2022	409,161	-	297,187	289,481	41,813	1,037,642
Mark R. McCollom[9] *Former Senior Executive Vice President and CFO (Former PFO)*	2024	65,385	-	-	-	330,658	396,043
	2023	500,000	-	468,014	-	86,465	1,054,479
	2022	456,305	-	441,922	451,970	81,600	1,431,797
Karthik K. Sridharan[10] *Senior Executive Vice President and Chief Operations and Technology Officer*	2024	450,000	-	391,024	250,222	29,273	1,120,519
	2023	242,308	37,500	199,996	112,500	11,479	603,783

(1) Titles and positions listed are as of December 31, 2024.
(2) Amounts represent the grant date fair values of stock awards (RSUs and Performance Shares), granted to our NEOs during the applicable year. Mr. Kraemer's grant was a new hire grant of RSUs on September 3, 2024. The closing price of Fulton common stock on September 3, 2024 was $19.21. The grant date fair value of the Performance Shares in 2024, 2023 and 2022 was determined in accordance with ASC Topic 718. Assumptions used in the calculation of the amounts reported in this column are discussed in Note 16 to our Consolidated Financial Statements for the fiscal year ended December 31, 2024, included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024. Fair value is based on a Monte Carlo simulation used to account for market conditions. The number and type of awards granted in 2024 is reflected in the "Grants of Plan-Based Awards" table below. The fair value of Performance Shares granted in 2024, 2023 and 2022 are shown in this table assuming the target level of such awards will be earned. The grant date fair value of the Performance Shares granted in 2024, if earned at the maximum performance level, would equal $1,783,436 for Mr. Myers; $666,587 for Ms. Chivinski; $854,807 for Ms. Snyder; $524,530 for Mr. Sridharan; and $505,064 for Ms. Mueller. As a result of Mr. McCollom's separation on February 8, 2024, Mr. McCollom forfeited all of his Performance Shares.
(3) The amounts reported in this column are VCP Awards detailed under "Annual Cash Incentives – VCP Awards" beginning on page 39.
(4) All other compensation includes: (i) Fulton contributions to the 401(k) Plan, (ii) Fulton contributions to the DCP, (iii) Fulton-paid club memberships, (iv) automobile perquisites and (v) other benefits individually that, except for Mr. McCollom and Ms. Snyder for 2024, are less than the greater of $25,000 or 10% of all perquisites. A breakdown of "All Other Compensation" is included in the table below.

(5) Mr. Kraemer was entitled to a minimum guaranteed bonus of $385,000 for 2024. Due to the 2024 Scorecard performance of 111.21% of target, Mr. Kraemer received a bonus of $298,064 in addition to a VCP Award of $130,095. The guaranteed bonus was a one-time arrangement negotiated as part of Mr. Kraemer's hire in 2024. Mr. Kraemer was appointed CFO on November 1, 2024.
(6) Ms. Snyder was appointed President on January 1, 2024.
(7) Ms. Mueller was appointed Senior Vice President and Enterprise Credit Executive on August 1, 2024.
(8) Ms. Chivinski was appointed the Interim CFO on February 8, 2024. Ms. Chivinski ceased to be the Interim CFO on November 1, 2024 and retired on December 31, 2024.
(9) Mr. McCollom separated from Fulton on February 8, 2024. Pursuant to the terms of his separation agreement, Mr. McCollom received a separation payment of $325,000.
(10) Mr. Sridharan was entitled to a guaranteed 2023 VCP bonus of $150,000 resulting in a bonus of $37,500 in addition to his 2023 VCP Award of $112,500. This guaranteed bonus was a one-time arrangement negotiated as part of Mr. Sridharan's hire in 2023. Mr. Sridharan separated from Fulton on January 31, 2025.

All Other Compensation

Name	Year	Qualified Retirement Plan Company Contribution ($)	Nonqualified Deferred Compensation Plan Company Contribution ($)	Club Memberships ($)	Automobile Perquisites ($)	Other Compensation and Perquisites[1] ($)	Total All Other Compensation ($)[2]
Curtis J. Myers	2024	17,250	47,320	24,865	4,647	10,894	104,977
	2023	16,500	64,839	24,705	4,386	11,753	122,183
	2022	15,250	57,441	19,661	3,640	11,564	107,556
Richard S. Kraemer	2024	-	-	-	6,400	7,830	14,230
Angela M. Snyder[3]	2024	17,250	19,198	-	2,204	33,529	72,181
	2023	16,500	28,370	864	2,095	18,052	65,881
	2022	15,250	24,827	2,935	2,019	10,383	55,414
Meg R. Mueller	2024	17,250	-	13,887	11,169	11,104	53,409
	2023	16,500	-	16,178	11,150	4,991	48,819
	2022	15,250	-	15,800	11,215	8,240	50,505
Beth Ann L. Chivinski	2024	17,250	12,660	-	1,481	1,200	32,591
	2023	16,500	19,212	-	1,615	1,200	38,527
	2022	15,250	21,746	-	2,988	1,829	41,813
Mark R. McCollom[4]	2024	2,308	-	-	3,200	325,150[5]	330,658
	2023	16,500	31,099	18,337	19,000	1,529	86,465
	2022	15,250	33,362	14,088	18,000	900	81,600
Karthik K. Sridharan	2024	7,788	1,385	-	19,200	900	29,273
	2023	-	-	-	10,400	1,079	11,479

(1) The amount of "Other Compensation and Perquisites" includes personal travel, taxable housing expense, reimbursements for mobile device expenses, company-provided mobile devices, spousal travel, company-sponsored trips and wellness credits from our benefits programs. For 2024, Mr. Myers', Ms. Mueller's and Ms. Snyder's personal travel included a tax gross up of $3,371, $2,290 and $1,086, respectively. For Mr. Myers, Ms. Mueller and Ms. Snyder, 2022 personal travel included a tax gross up of $3,897, $2,168 and $2,235, respectively, and 2023 personal traveled included a tax gross up of $4,030, $1,165 and $2,014, respectively.
(2) Due to rounding, the amount in Total All Other Compensation may not equal the sum of the individual components.
(3) All Other Compensation and Perquisites amount for Ms. Snyder for 2024 includes a housing allowance of $28,048.
(4) Mr. McCollom separated from Fulton on February 8, 2024.
(5) Mr. McCollom received $325,000 in connection with his separation from Fulton on February 8, 2024.

Grants of Plan-Based Awards

Name	Approval Date	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1] Threshold ($)	Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards[2] Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards[3] Number of Shares of Stock (#)	Grant Date Fair Value of Stock and Option Awards[4] ($)
Curtis J. Myers	3/18/2024	5/1/2024	-	-	-	-	-	-	24,953	421,706
	3/18/2024	5/1/2024	-	-	-	23,171	46,341	69,512	-	907,820
	2/08/2024	-	450,577	901,154	1,802,308	-	-	-	-	-
Richard S. Kraemer[5]	7/15/2024	9/3/24	-	-	-	-	-	-	39,042	749,997
	7/15/2024	-	58,490	116,981	233,962	-	-	-	-	-
Angela M. Snyder	3/18/2024	5/1/2024	-	-	-	-	-	-	11,959	202,107
	3/18/2024	5/1/2024	-	-	-	11,106	22,212	33,318	-	435,133
	2/08/2024	-	192,500	385,000	770,000	-	-	-	-	-
Meg R. Mueller	3/18/2024	5/1/2024	-	-	-	-	-	-	7,066	119,415
	3/18/2024	5/1/2024	-	-	-	6,562	13,124	19,686	-	257,099
	2/08/2024	-	108,323	216,645	433,290	-	-	-	-	-
Beth Ann L. Chivinski	3/18/2024	5/1/2024	-	-	-	-	-	-	9,326	157,609
	3/18/2024	5/1/2024	-	-	-	8,661	17,321	25,982	-	339,318
	2/08/2024	-	172,128	344,257	688,513	-	-	-	-	-
Mark R. McCollom[6]	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Karthik K. Sridharan[7]	3/18/2024	5/1/2024	-	-	-	-	-	-	7,338	124,012
	3/18/2024	5/1/2024	-	-	-	6,815	13,630	20,445	-	267,012
	2/08/2024	-	112,500	225,000	450,000	-	-	-	-	-

(1) The amounts reflect incentive cash bonuses with respect to the VCP. The actual amounts paid for 2024 with respect to the VCP is set forth in the "Non-Equity Incentive Plan Compensation" column of the SCT.
(2) Represents the number of Performance Shares granted to the NEOs. Performance Shares are earned and vested based on the actual performance level achieved with respect to Fulton's relative TSR during the performance period. The actual number of 2024 Performance Shares earned and vested is interpolated on a straight-line basis between the relevant targets.
(3) Represents the number of RSUs granted to the NEOs.
(4) See footnote 2 to the SCT on page 51 for additional information regarding the grant date fair value of the Performance Shares and RSUs. The grant date fair value of each equity award is computed in accordance with FASB ASC Topic 718. The closing price of Fulton common stock on the May 1, 2024 grant date was $16.90 and the closing price of Fulton common stock on the September 3, 2024 grant date was $19.21. All RSUs and Performance Shares were granted under the 2022 Amended and Restated Equity and Cash Incentive Compensation Plan (the "**Equity Plan**").
(5) Mr. Kraemer was granted a new hire award of RSUs on September 3, 2024. Mr. Kraemer was ineligible to receive a 2024 LTI Award since his hire date was after the May 1, 2024 grant date.
(6) Mr. McCollom was not granted any awards during 2024 due to his separation from Fulton on February 8, 2024.
(7) Mr. Sridharan separated from Fulton on January 31, 2025 and his unvested Performance Shares were forfeited.

2024 Outstanding Equity Awards at December 31, 2024

	Stock Awards			
Name	Number of Shares of Stock That Have Not Vested (#)(1)	Market Value of Shares of Stock That Have Not Vested ($)(2)	Equity Incentive Plan Awards: Number of Unearned Shares That Have Not Vested (#)(3)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares That Have Not Vested ($)(2)
Curtis J. Myers	-		61,656(4)	1,188,726
	-		122,559(5)	2,362,937
	25,424(A)	490,182	70,825(6)	1,365,498
Richard S. Kraemer	39,405(B)	759,738	-	-
Angela M. Snyder	-	-	37,285(4)	718,850
	-	-	60,078(5)	1,158,299
	11,898(A)	229,385	33,947(6)	654,506
Meg R. Mueller	-	-	29,571(4)	570,124
	-	-	37,544(5)	723,857
	7,029(A)	135,525	20,058(6)	386,716
Beth Ann L. Chivinski	-	-	29,271(4)	564,336
	-	-	37,163(5)	716,508
	-	-	26,472(6)	510,386
Mark R. McCollom(7)	-	-	-	-
	-	-	-	-
	-	-	-	-
Karthik K. Sridharan(8)	15,385(C)	296,623	-	-
	7,477(D)	144,149	20,831(6)	401,626

(1) Represents the number of RSUs and accrued dividend equivalent units on December 31, 2024.
  (A) RSUs granted May 1, 2024. The RSUs will vest on May 1, 2027.
  (B) RSUs granted on September 3, 2024. One-third of the RSUs will vest on each of September 3, 2025, 2026 and 2027.
  (C) RSUs granted September 1, 2023. The RSUs vested on January 31, 2025 as a result of Mr. Sridharan's separation from Fulton.
  (D) RSUs granted May 1, 2024. The RSUs vested on January 31, 2025 as a result of Mr. Sridharan's separation from Fulton.

(2) Market value of Performance Shares and RSUs shown is based on the Fulton closing price of $19.28 on December 31, 2024. The number of Performance Shares and RSUs includes dividend equivalent units accrued through December 31, 2024.
As of December 31, 2024, the relative TSR performance that determined the number of Performance Shares allocated to the TSR component of the 2022, 2023 and 2024 Performance Shares awards were at target or above performance levels, and, as such, amounts are shown based upon maximum vesting of 150% for this component. For 2022 and 2023, with respect to the profit trigger component, maximum vesting of 100% has been used in the calculation.

(3) Represents the number of Performance Shares and accrued dividend equivalent units on December 31, 2024 based on maximum vesting.

(4) Performance Shares granted on May 1, 2022. If the performance criteria is achieved, then earned Performance Shares will vest on May 1, 2025.

(5) Performance Shares granted on May 1, 2023. If the performance criteria is achieved, then earned Performance Shares will vest on May 1, 2026.

(6) Performance Shares granted on May 1, 2024. If the performance criteria is achieved, then earned Performance Shares will vest on May 1, 2027.

(7) Mr. McCollom forfeited all of his unvested stock awards upon his February 8, 2024 separation from Fulton.

(8) Mr. Sridharan forfeited his 2024 Performance Shares on the date of his January 31, 2025 separation from Fulton.

2024 Option Exercise and Stock Vested

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting(1) ($)
Curtis J. Myers	-	-	49,653	$839,140
Richard S. Kraemer	-	-	-	-
Angela M. Snyder	-	-	26,477	$447,485
Meg R. Mueller	-	-	26,362	$445,510
Beth Ann L. Chivinski	-	-	26,149	$441,920
Mark R. McCollom	-	-	-	-
Karthik K. Sridharan	-	-	-	-

(1) Vested Performance Shares valued at $16.90 per share on the May 1, 2024 vesting date and include accrued dividend equivalent units. Amounts for Ms. Snyder, Ms. Mueller and Ms. Chivinski also include RSUs withheld to cover Social Security and Medicare taxes due to retirement eligibility at the time of the 2024 grant. With respect to Ms. Mueller and Ms. Chivinski, shares were withheld to cover taxes at the time of grant, and, with respect to Ms. Snyder, shares were withheld to cover taxes upon becoming retirement eligible on May 22, 2024.

2024 Non-Qualified Deferred Compensation(1)

Name	NEO Contributions in Last Fiscal Year(2) ($)	Registrant Contributions in Last Fiscal Year(3) ($)	Aggregate Earnings in Last Fiscal Year ($)	Aggregate Withdrawals and Distributions in Last Fiscal Year ($)	Aggregate Balance at Last Fiscal Year-end(4) ($)
Curtis J. Myers	111,277	47,320	222,636	-	1,708,909
Richard S. Kraemer	-	-	-	-	-
Angela M. Snyder	156,250	19,198	232,861	-	1,683,758
Meg R. Mueller	-	-	149	-	3,046
Beth Ann L. Chivinski	18,006	12,660	24,589	-	381,453
Mark R. McCollom	-	-	37,572	50,830	231,073
Karthik K. Sridharan	7,050	1,385	182	-	8,617

(1) For more details on our DCP, see "Deferred Compensation Plan" on page 46.
(2) Amounts listed as NEO Contributions in Last Fiscal Year are included in the SCT for 2024 as Base Salary and/or Non-Equity Incentive Plan Compensation.
(3) Amounts listed as Registrant Contributions to the DCP are also included as part of the NEOs' "Total All Other Compensation" in the SCT.
(4) The aggregate balances as of December 31, 2024 include the following amounts previously reported in the SCT for prior years for Messrs. Myers and McCollom, and Messes. Snyder, Mueller and Chivinski of $871,485, $219,463, $648,041, $0 and $126,124, respectively. Amounts listed as aggregate balances will be paid to the NEOs upon termination of employment for any reason. Refer to the DCP narrative description on page 46 for additional information.

Employment Agreements, Severance and Change In Control Payments, Consulting Agreement and Separation Agreement

We entered into employment agreements with certain of our employees, including each of our NEOs. Fulton entered into separate employment agreements and change in control agreements with each of the NEOs, all effective as of January 1, 2018, except for Mr. Myers, whose agreements were effective January 1, 2023, Mr. Sridharan, whose agreements were effective June 12, 2023, and Mr. Kraemer, whose agreements were effective September 3, 2024. The employment agreements (individually, an "**Employment Agreement**," and collectively, the "**Employment Agreements**") and key employee change in control agreements (individually, a "**CIC Agreement**," and collectively, the "**CIC Agreements**") with the NEOs continue until the NEO's employment is terminated and expire on December 31 of the calendar year in which the NEO attains age 65. In addition to the benefits described below, the Employment Agreements and the CIC Agreements provide for: (i) the receipt of base salary, (ii) the participation in Fulton's incentive bonus programs and (iii) the participation in Fulton's retirement plans, welfare benefit plans and other benefit programs.

The severance benefits our NEOs are entitled to receive are discussed in the Section titled "Potential Payments on Termination and Change in Control."

The Employment Agreements contain confidentiality restrictions and include non-competition and non-solicitation covenants that continue for one year following termination of employment. The non-competition and non-solicitation covenants in the Employment Agreements will not apply if the NEO terminates employment for Good Reason (defined below), or if the NEO's employment is terminated Without Cause (defined below), but a separate one year non-solicitation covenant in the CIC Agreement will apply if the termination occurs 90 days prior to or two years following a change in control. The Employment Agreements and the CIC Agreements do not include excise tax gross-up provisions. Severance under the Employment Agreements is conditioned on the NEO's execution and non-revocation of a release of claims in favor of Fulton and certain other persons and entities.

On February 8, 2024, Mr. McCollom separated from his position as CFO of Fulton and Fulton Bank. In connection with his separation, Fulton and Mr. McCollom entered into a Separation Agreement and General Release (the "**Separation Agreement**"). Under the Separation Agreement, Fulton agreed to pay Mr. McCollom $325,000. The Separation Agreement contained a release of claims and a reaffirmation of certain restrictive covenants in favor of Fulton and Fulton Bank. As a result of his termination, Mr. McCollom also became entitled to receive his DCP benefit (valued at $252,199.01 on the date of such termination) to be paid in accordance with the terms of the DCP.

Ms. Chivinski retired on December 31, 2024. On November 1, 2024, Fulton entered into a Consulting Agreement with Ms. Chivinski (the "**Consulting Agreement**"). The term of the Consulting Agreement commenced on January 1, 2025 and ends on June 30, 2025, unless earlier terminated by either Fulton or Ms. Chivinski. Under the Consulting Agreement, Ms. Chivinski will provide advice to Fulton as requested as an independent contractor to ensure the continued, smooth transition of her duties and responsibilities. As sole compensation for her services under the Consulting Agreement, Ms. Chivinski was paid $1,250,000.00 in a lump sum during the first month of the term of the Consulting Agreement. In addition, Fulton will pay or reimburse Ms. Chivinski for reasonable expenses incurred by Ms. Chivinski in performing services under the Consulting Agreement. Ms. Chivinski will remain subject to the confidentiality, non-competition, non-solicitation and clawback provisions set forth in Section 5 of her Employment Agreement. The Consulting Agreement also contains a general release of claims on the part of Ms. Chivinski.

Potential Payments on Termination and Change in Control

Set forth below is a summary of the material terms regarding the potential compensation of Fulton's NEOs in connection with a termination event or change in control of Fulton. In addition to the amounts set forth below, as the result of any termination of employment on December 31, 2024, each of the NEOs would be entitled to receive the amounts listed for him or her in the "Aggregate Balance at Last Fiscal Year-end" column of the 2024 Non-Qualified Deferred Compensation Table set forth above.

The following defined terms will have the meanings set forth below:

Definitions. The relevant definitions under the CIC Agreement are summarized as follows:

- "Cause" means (i) the NEO's commitment of a felony or misdemeanor resulting or intending to result directly or indirectly in gain or personal enrichment to the NEO,(ii) the NEO's use of alcohol or other drugs which interferes with the NEO's performance, (iii) the NEO's continuing deliberate and intentional refusal or failure to perform the NEO's duties to Fulton, (iv) the NEO's participation in conduct that brings public discredit on or injures the reputation of Fulton or (v) the NEO's legal preclusion of employment.
- "Change in Control" means (i) during any period of not more than 36 months, the individuals that constituted the Board at the beginning of such period, with certain exceptions, cease to constitute at least a majority of Fulton's Board, (ii) beneficial ownership of more than 30% of the outstanding voting power of Fulton common stock is acquired by any person, with certain exceptions, (iii) a merger or consolidation involving Fulton is consummated, unless at least 50% of the voting power of the resulting entity is represented by Fulton voting securities outstanding prior to such merger or consolidation, no person beneficially has the power to vote 30% or more of the voting power of the resulting entity, and at least a majority of the members of the board of directors of the resulting entity were members of the Board prior to the execution of the agreement which effectuated such merger or consolidation, (iv) the sale of all or substantially all of the assets of Fulton is consummated, or (v) Fulton's shareholders approve a plan of liquidation or dissolution.
- "Disability" means a medically determinable physical or medical impairment that is expected to result in death or to last for at least 12 months and that either renders the NEO unable to engage in any substantial gainful activity or qualifies the NEO for benefits under a Fulton disability plan.
- "Good Reason" means (i) a breach by Fulton of its material obligations without remedy, (ii) a significant change in the NEO's authority, duties, compensation or benefits or (iii) a relocation of the NEO outside a specified distance from where the NEO previously was based.
- "Retirement" means the NEO terminates employment with Fulton after the NEO has achieved the earlier of: (i) age 60 with at least ten years of service to Fulton or any affiliate or (ii) age 62 with at least five years of service to Fulton or any affiliate.
- "Without Cause" means any reason other than for Cause.

Voluntary Termination. In the event an NEO's employment is voluntarily terminated by the NEO other than for Good Reason or Retirement, Fulton's obligations are limited to the payment of the NEO's earned but unpaid base salary, together with any applicable expense reimbursements and all earned but unpaid benefits and vested benefits (collectively, the "**Accrued Obligations**"). No other payments are required, and any unvested time-based restricted stock units and Performance Shares are forfeited by the NEO unless the voluntary termination is also a Retirement.

Termination for Good Reason or Without Cause. If an NEO terminates his or her employment for Good Reason or the NEO's employment is terminated by Fulton Without Cause, other than in connection with a Change in Control then in addition to the Accrued Obligations, the NEO is entitled to receive the NEO's base salary for a period of one year, plus any vested and unpaid cash bonus for the prior fiscal year plus a cash bonus for the fiscal year in which the termination date occurs at the target payout level, pro-rated to the date of termination, except that Mr. Myers is entitled to receive his base salary for two years (paid over two years). The NEO and his or her spouse and eligible dependents are permitted to participate in employee health and other benefit plans for which the NEO is eligible during this one-year period (or two years, in the case of Mr. Myers). If Fulton is unable to continue the NEO's participation in any employee benefit plan, the NEO will be compensated in an amount equal to the cost Fulton would have incurred had the NEO been eligible to participate in the plan plus an amount equal to the applicable individual income taxes due on such amount. Unvested Performance Shares are forfeited.

Termination for Cause. If an NEO's employment is terminated for Cause, Fulton is not obligated to make any further payments to the NEO, other than the Accrued Obligations. Unvested time-based RSUs and Performance Shares are forfeited.

Retirement or Disability. In the event an NEO terminates his or her employment due to Retirement, the NEO is entitled to receive the Accrued Obligations, unvested time-based restricted stock units vest and Performance Shares remain outstanding and will vest based on achievement of the relevant performance goals.

In the event of a termination due to an NEO's Disability, the NEO is entitled to receive an amount equal to at least six months' base salary as in effect immediately prior to the date of the Disability. After this six-month salary continuation period, for as long as the NEO continues to be disabled, the NEO will continue to receive at least 60% of the NEO's base salary until the earlier of the NEO's death or December 31 of the calendar year in which the NEO attains age 65 (the first $15,000 per month of this benefit is paid under our long-term disability policy generally applicable to all benefits-eligible employees, and the remainder is paid by Fulton). The NEO will also receive those benefits customarily provided by Fulton to disabled former employees through the earlier of December 31 of the year the NEO turns 65 and the NEO's death including, but not limited to, life, medical, health and accident insurance. In addition, upon a termination of an NEO's employment due to Disability, unvested RSUs automatically vest and unvested Performance Shares vest either on an accelerated basis, subject to the HR Committee's determination of the extent to which the performance goals have been met, or vest subject to the achievement of the relevant performance goals.

Death. In the event certain NEOs die while actively employed by Fulton, such NEO's estate or beneficiaries are eligible for a payment from Fulton (in addition to the Accrued Obligations) equal to two times the NEO's base salary (plus an amount equal to applicable individual income taxes due on such amounts) pursuant to individual death benefit agreements between Fulton and that NEO. In addition, under the terms of their respective death benefit agreements, Mr. Myers and Messes. Chivinski and Snyder would each receive a reduced, post-retirement death benefit of $5,000. The other NEOs are not eligible for any post-retirement death benefit. Further, in the event of the death of an NEO, unvested RSUs automatically vest and unvested Performance Shares vest either on an accelerated basis, subject to the HR Committee's determination of the extent to which the performance goals have been met, or vest subject to the achievement of the relevant performance goals.

Change in Control – NEOs other than Mr. Myers. If, during the period beginning 90 days before a Change in Control and ending two years after such Change in Control, an NEO is terminated by Fulton Without Cause or an NEO resigns for Good Reason, Fulton is required to pay the NEO (in addition to the Accrued Obligations) a lump sum payment equal to two times the sum of the NEO's: (i) annual base salary immediately before the Change in Control and (ii) the highest annual cash bonus or other cash incentive compensation awarded to the NEO over the prior three years. The NEO is also entitled to receive: (i) an amount equal to that portion of the 401(k) Plan or DCP contributions for the NEO which did not vest plus an amount equal to the applicable individual income taxes due on such amount, (ii) an amount equal to two years of Fulton retirement plan contributions to each tax qualified or nonqualified retirement plan in which the NEO was a participant immediately prior to the NEO's termination or resignation, (iii) payment of up to $10,000 for outplacement services and (iv) continuation of other employee welfare benefits for a period of two years.

Change in Control – Mr. Myers. With respect to Mr. Myers, if during the period beginning 90 days before a Change in Control and ending two years after such Change in Control, Mr. Myers is terminated by Fulton Without Cause or he resigns for Good Reason, Fulton is required to pay Mr. Myers a lump sum payment equal to three times the sum of Mr. Myers': (i) annual base salary immediately before the Change in Control and (ii) the average annual cash bonus or other cash incentive compensation awarded to Mr. Myers over the past three years. Mr. Myers is also entitled to receive: (i) an amount equal to that portion of the 401(k) Plan or DCP contributions for Mr. Myers which did not vest plus an amount equal to applicable individual income taxes due on such amount,

(ii) an amount equal to two years of Fulton retirement plan contributions to each tax qualified or nonqualified retirement plan in which Mr. Myers was a participant immediately prior to Mr. Myers' termination or resignation, (iii) payment of up to $10,000 for outplacement services and (iv) continuation of other employee welfare benefits for a period of two years.

The NEOs are not entitled to receive continuation of other executive perquisites, but, the NEOs have the ability to purchase, at book value, any employer-provided automobile used by the NEO at the time of his or her termination.

2024 NEO Change in Control and Termination Table

Potential Payments as of December 31, 2024						
NEO	**Voluntary Termination or Termination for Cause**	**Termination Without Cause or for Good Reason – Not in Connection With a Change in Control[4]**	**Termination Without Cause or for Good Reason – in Connection With a Change in Control[5]**	**Termination Due to Retirement[6]**	**Termination Due to Disability[7]**	**Termination Due to Death[8]**
Curtis J. Myers						
Cash ($)	-	3,642,308	2,747,907	-	3,438,548	1,840,000
Equity ($)[1]	-	490,182	4,081,008	-	4,081,008	4,081,008
Pension/NQDC Contributions ($)[2]	-	-	129,140	-	-	-
Perquisites and Benefits ($)[3]	-	30,975	40,975	-	124,006	30,975
Tax Reimbursement ($)	-	-	-	-	-	1,177,868
TOTAL ($)	-	4,163,465	6,999,031	-	7,643,562	7,129,851
Richard S. Kraemer						
Cash ($)	-	935,000	1,243,957	-	2,982,603	1,100,000
Equity ($)[1]	-	759,738	759,738	-	759,738	759,738
Pension/NQDC Contributions ($)[2]	-	-	-	-	-	-
Perquisites and Benefits ($)[3]	-	19,808	49,615	-	357,542	39,615
Tax Reimbursement ($)	-	-	-	-	-	704,160
TOTAL ($)	-	1,714,546	2,053,310	-	4,099,883	2,603,513
Angela M. Snyder						
Cash ($)	-	935,000	1,554,938	-	878,904	1,100,000
Equity ($)[1]	-	229,385	2,082,433	2,082,433	2,082,433	2,082,433
Pension/NQDC Contributions ($)[2]	-	-	72,896	-	-	
Perquisites and Benefits ($)[3]	-	15,488	40,975	-	62,353	30,975
Tax Reimbursement ($)	-	-	-	-	-	704,160
TOTAL ($)	-	1,179,873	3,751,242	2,082,433	3,023,690	3,917,568
Meg R. Mueller						
Cash ($)	-	649,935	1,534,255		517,807	866,580
Equity ($)[1]	-	135,525	1,369,912	1,369,912	1,369,912	1,369,912
Pension/NQDC Contributions ($)[2]	-	-	34,500	-		
Perquisites and Benefits ($)[3]	-	19,808	49,615	-	74,591	39,615
Tax Reimbursement ($)	-	-	-	-		554,737
TOTAL ($)	-	805,268	2,988,283	1,369,912	1,962,311	2,830,845

Potential Payments as of December 31, 2024						
NEO	Voluntary Termination or Termination for Cause	Termination Without Cause or for Good Reason – Not in Connection With a Change in Control[4]	Termination Without Cause or for Good Reason – in Connection With a Change in Control[5]	Termination Due to Retirement[6]	Termination Due to Disability[7]	Termination Due to Death[8]
Beth Ann L. Chivinski						
Cash ($)	-	844,257	1,660,896	-	278,767	1,000,000
Equity ($)[1]	-	178,880	1,306,921	1,306,921	1,306,921	1,306,921
Pension/NQDC Contributions ($)[2]	-	-	59,820	-	-	-
Perquisites and Benefits ($)[3]	-	12,576	35,152	-	3,015	25,152
Tax Reimbursement ($)	-	-	-	-	-	640,146
TOTAL ($)	-	1,035,713	3,062,789	1,306,921	1,588,703	2,972,218
Karthik K. Sridharan						
Cash ($)	-	675,000	1,110,760	-	1,078,521	900,000
Equity ($)[1]	-	440,772	708,523	-	708,523	708,523
Pension/NQDC Contributions ($)[2]	-		18,346	-		-
Perquisites and Benefits ($)[3]	-	7,391	24,782	-	70,093	14,782
Tax Reimbursement ($)	-	-	-	-	-	576,131
TOTAL ($)	-	1,123,163	1,862,411	-	1,857,136	2,199,435

(1) The amounts listed under Equity in this table consists of unvested: (i) Performance Shares and (ii) RSUs, in each case, valued based on the closing price of Fulton's common stock on December 31, 2024, accelerated for certain events as appropriate. For purposes of the value associated with Performance Shares, performance at the target level was assumed.

(2) For those employees that participate, the amounts listed under Pension/NQDC Contributions represent the aggregate dollar value of Fulton's contributions to the 401(k) Plan, the DCP and other retirement benefits for the NEO over the applicable period.

(3) Perquisites and Benefits include, as applicable: (i) $10,000 for outplacement services in the event of a Change In Control termination and (ii) the estimated value of health and other benefit expenses during the severance period. In the case of Disability, the number represents the estimated value of health and other benefit expenses through age 65. In the case of Death, the amount represents the estimated value of health and other benefits expenses for 24 months.

(4) The cash amount listed for each NEO includes a severance payment based on the NEO's 2024 base salary, assume no discretionary bonus paid to the NEOs and assume a payment to the NEOs equal to their target 2024 VCP Awards.

(5) The cash amounts listed are a multiple of 2024 base salary as of December 31, 2024 and the highest VCP Awards paid for the past three years, except for Mr. Myers it is the average annual VCP Award paid for the past three years and, for Mr. Kraemer, it is the 2024 VCP Award at target. The cash payment amounts to Messrs. Myers, Kraemer and Sridharan and Ms. Snyder, Ms. Mueller and Ms. Chivinski have been reduced in the table by $1,968,809, $626,043, $89,240, $325,913, $0 and $0, respectively, to limit a payment required to avoid a federal excise tax imposition under Section 4999 of the Tax Code.

(6) Performance Shares awarded in 2022, 2023 and 2024 provide that the continuous service requirement is waived if an NEO terminates employment when the NEO is Retirement eligible, and performance continues to be measured and the shares may vest based on the original vesting schedule according to the performance level actually achieved. The amounts reported in the "Equity" row assume the target level of performance for the 2022, 2023 and 2024 Performance Shares. As of December 31, 2024, only Ms. Snyder, Ms. Mueller and Ms. Chivinski were Retirement eligible. Unvested RSUs automatically vest in full upon termination of employment due to Retirement.

(7) The cash amount represents six months at full base salary followed by 60% of base salary through age 65 (less $15,000 per month paid by our long-term disability insurer). Following such six-month period, the NEO receives an additional amount, equal to the lesser of 60% of their monthly salary and $15,000 per month, on the same terms as all other benefit-eligible employees, and such amount is not included in the table. For so long as the NEO continues to be disabled, the NEO will continue to receive at least 60% of the NEO's base salary until the earlier of the NEO's death or December 31 of the calendar year in which the NEO attains age 65. In the event an NEO terminates employment due to Disability, unvested RSUs automatically vest and unvested Performance Shares vest either on an accelerated basis, subject to the HR Committee's determination of the extent to which the performance goals have been met, or vest subject to the achievement of the relevant performance goals.

(8) In the event of a termination of employment as a result of an NEO's death, the NEO's dependents, beneficiaries or estate, as the case may be, receive such survivor's income and other benefits as they may be entitled to under the terms of Fulton's benefit programs, including the life insurance benefit of two times base salary amount plus a tax reimbursement due as a result of the payment under the "Death Benefits" described on page 46. In addition, unvested RSUs automatically vest and unvested Performance Shares vest either on an accelerated basis, subject to the HR Committee's determination of the extent to which the performance goals have been met, or vest subject to the achievement of the relevant performance goals.

2024 Pay Versus Performance Disclosure

Pay Versus Performance Disclosure

Pursuant to Section 953(a) of the Dodd-Frank Act and Item 402(v) of Regulation S-K, Fulton is providing the following information about the relationship between executive compensation actually paid ("**CAP**") to Fulton's principal executive officer ("**PEO**") and non-PEO named executive officers (the "**Non-PEO NEOs**") and certain aspects of the financial performance of Fulton. The HR Committee does not utilize CAP as the basis for making compensation decisions. Please see the CD&A with respect to additional information with respect to our compensation philosophy and how we align executive compensation with our performance.

Pay Versus Performance Table

Year[1] (a)	Summary Compensation Table Total for PEO[2] (b)	Compensation Actually Paid to PEO[3] (c)	Average Summary Compensation Table Total for Non-PEO NEOs[2] (d)	Average Compensation Actually Paid to Non-PEO NEOs[3] (e)	Value of Initial Fixed $100 Investment Based on:[4] TSR (f)	Value of Initial Fixed $100 Investment Based on:[4] Peer Group TSR[5] (g)	Net Income (GAAP)[6] (h)	Company Selected Metric: Adjusted EPS[7] (i)
2024	$3,337,831	$4,335,378	$1,178,658	$1,073,637	$134.46	$111.09	$289	$1.68
2023	$2,309,440	$2,862,798	$999,817	$1,196,969	$111.42	$95.17	$284	$1.70
2022	$4,923,557	$5,537,243	$1,541,616	$1,675,245	$109.15	$102.00	$287	$1.76
2021	$4,207,894	$5,365,077	$1,395,455	$1,745,204	$106.37	$125.45	$275	$1.62
2020	$3,084,495	$2,225,418	$1,082,224	$821,870	$76.52	$88.19	$178	$1.08

(1) Mr. Myers served as the PEO for the entirety of 2024 and 2023. Mr. Wenger served as the PEO for the entirety of 2022, 2021 and 2020. Our Non-PEO NEOs for the applicable years were as follows:

- 2024: Mark R. McCollom, Beth Ann L. Chivinski, Richard S. Kraemer, Angela M. Snyder, Karthik K. Sridharan and Meg R. Mueller;
- 2023: Mark R. McCollom, Angela M. Snyder, Meg R. Mueller and Beth Ann L. Chivinski;
- 2022: Mark R. McCollom, Curtis J. Myers, Natasha Luddington and Angela M. Snyder;
- 2021: Curtis J. Myers, Mark R. McCollom, Angela M. Snyder and Meg R. Mueller; and
- 2020: Mark R. McCollom, Curtis J. Myers, Angela M. Snyder and Beth Ann L. Chivinski.

(2) Amounts reported in these columns represent: (i) the total compensation reported in the SCT for the applicable year for the PEO and (ii) the average of the total compensation reported in the SCT for the applicable year for our Non-PEO NEOs.
(3) Amounts reported in these columns represent CAP. Adjustments were made to the amounts reported in the SCT for the applicable year. A reconciliation of the adjustments for the applicable PEO and for the average of the Non-PEO NEOs is set forth in the following table.
(4) TSR is cumulative for the measurement periods beginning on December 31, 2019 and ending on December 31 of each of 2024, 2023, 2022, 2021 and 2020, respectively, calculated in accordance with Item 201(e) of Regulation S-K.
(5) Peer Group total shareholder return ("**Peer Group TSR**") represents the Nasdaq Bank Index, which is used by Fulton for purposes of compliance with Item 201(e) of Regulation S-K.
(6) Amounts in millions.
(7) Adjusted EPS is a Fulton selected measure. Values shown reflect EPS as calculated for purposes of our executive compensation program for the applicable reporting year as set forth in detail under "Non-GAAP Reconciliations" in Annex A to this Proxy Statement. No adjustments to EPS were made for 2021 and 2020.

	2024		2023		2022		2021		2020	
	PEO Myers	Average Non-PEO NEOs	PEO Myers	Average Non-PEO NEOs	PEO Wenger	Average Non-PEO NEOs	PEO Wenger	Average Non-PEO NEOs	PEO Wenger	Average Non-PEO NEOs
Summary Compensation Table Total	**$3,337,831**	**$1,178,658**	**$2,309,440**	**$999,817**	**$4,923,557**	**$1,541,616**	**$4,207,894**	**$1,395,455**	**$3,084,495**	**$1,082,224**
Less Stock Award Value & Option Award Value Reported in SCT for the Covered Year	$1,329,526	$441,951	$954,757	$379,503	$2,076,061	$462,213	$1,305,528	$395,464	$1,292,385	$393,958
Plus Year End Fair Value of Equity Awards Granted During the Covered Year that Remain Outstanding and Unvested as of Last Day of the Covered Year	$1,432,754	$375,360	$1,616,090	$642,375	$2,517,933	$552,934	$1,335,263	$404,470	$1,423,841	$434,250
Plus Year over Year Change in Fair Value as of the Last Day of the Covered Year of Outstanding and Unvested Equity Awards Granted in Prior Years	$789,392	$177,116	$191,243	$111,252	$233,715	$57,715	$944,182	$285,212	($901,359)	($267,705)
Plus Fair Value as of Vesting Date of Equity Awards Granted and Vested in the Covered Year	-	$80,075	-	-	-	-	-	-	-	-
Plus Year over Year Change in Fair Value as of the Vesting Date of Equity Awards Granted in Prior Years that Vested During the Covered Year	$104,927	$27,582	($299,218)	($176,972)	($61,901)	($14,807)	$183,267	$55,530	($89,174)	($32,941)
Minus Fair Value at the End of the Prior Year of Equity Awards that Failed to Meet Vesting Conditions in the Covered Year	-	$323,203	-	-	-	-	-	-	-	-

	2024		2023		2022		2021		2020	
	PEO Myers	Average Non-PEO NEOs	PEO Myers	Average Non-PEO NEOs	PEO Wenger	Average Non-PEO NEOs	PEO Wenger	Average Non-PEO NEOs	PEO Wenger	Average Non-PEO NEOs
Plus Value of Dividends or other Earnings Paid on Stock or Option Awards Prior to the Vesting Date Not Otherwise Reflected in Total Compensation for the Covered Year	-	-	-	-	-	-	-	-	-	-
Compensation Actually Paid	**$4,335,378**	**$1,073,637**	**$2,862,798**	**$1,196,969**	**$5,537,243**	**$1,675,245**	**$5,365,077**	**$1,745,204**	**$2,225,418**	**$821,870**

In the table above, the unvested equity values are computed in accordance with ASC Topic 718. For unvested awards subject to performance-based vesting conditions, the change in equity value is determined based on the probable outcome of such performance-based vesting conditions as of the last day of the covered year.

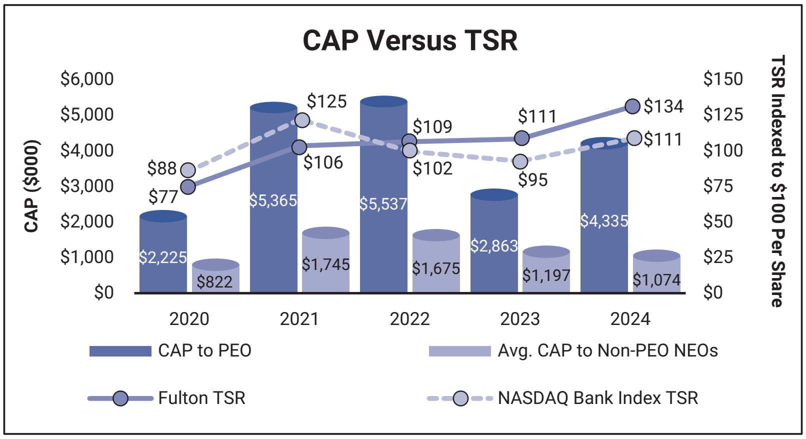
Performance Measures Used to Link Company Performance and CAP

The following is a list of performance measures that represent the most important performance measures used by Fulton to link 2024 CAP to the NEOs to performance:

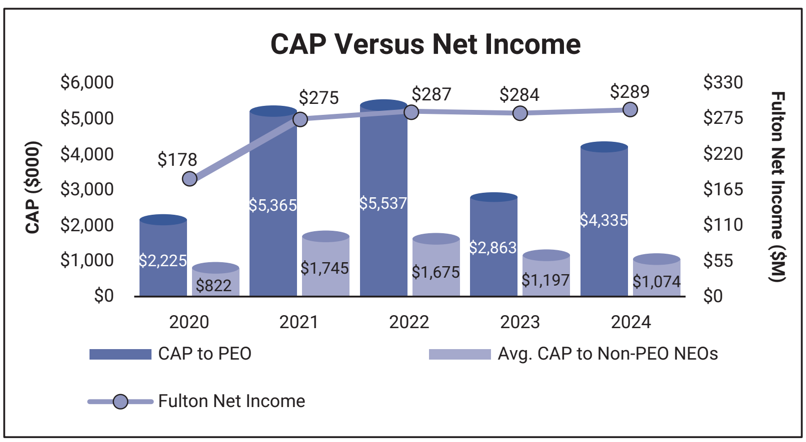
- TSR;
- Adjusted EPS;
- Adjusted ROE; and
- Adjusted Operating Expenses/Average Assets.

Pay Versus Performance Charts

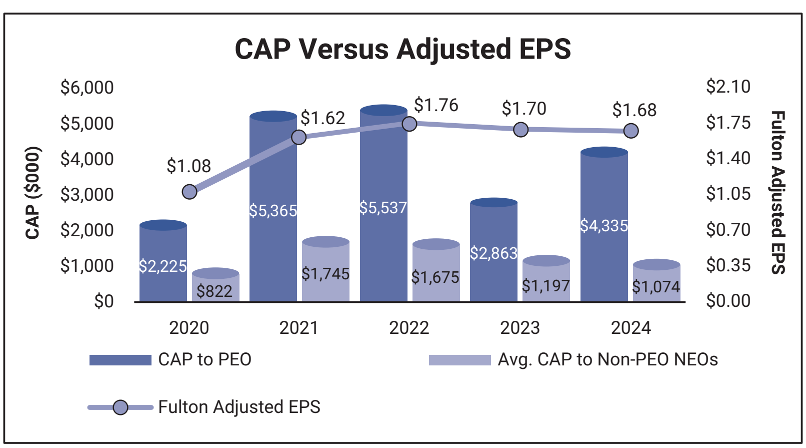
Relationship between CAP and TSR. The graph below illustrates the relationship between Fulton's TSR and the Peer Group TSR as well as the relationship between TSR and CAP for the PEO and average Non-PEO NEOs.



Relationship between CAP and Net Income. The graph below illustrates the relationship between Fulton's Net Income and CAP for the PEO and average Non-PEO NEOs.



Relationship between CAP and Adjusted EPS. The graph below illustrates the relationship between Fulton's Adjusted EPS and CAP for the PEO and average Non-PEO NEOs.



PROPOSAL 3

Ratification of Independent Auditor

Proposal

Fulton's Audit Committee selected KPMG to continue as Fulton's independent auditor for the fiscal year ending December 31, 2025. Although shareholder approval of the selection of KPMG is not required by our organizational documents, the Board believes that it is advisable to allow our shareholders an opportunity to ratify this selection as it is consistent with sound corporate governance practices.

If Fulton's shareholders do not approve this proposal at the Annual Meeting, then the Audit Committee may consider the appointment of another independent auditor, but it is not required to do so.

Representatives of KPMG will be present at the Annual Meeting and will have the opportunity to make a statement, if they desire to do so, and to respond to appropriate questions.

The Board unanimously recommends that shareholders vote "**FOR**" the ratification of the appointment of KPMG as Fulton's independent auditor for the fiscal year ending December 31, 2025.

Vote Required

The affirmative vote of a majority of the shares for which votes are cast on the proposal at the Annual Meeting is needed to approve this proposal. Abstentions and broker non-votes will not be counted as votes cast and, therefore, will not affect this proposal. Further, the failure to vote, either by proxy or in person, will not have an effect on this proposal. Unless instructions to the contrary are specified in a proxy properly voted and returned through available channels, the proxies will be voted "**FOR**" this proposal.

Relationship with Independent Public Accountants

Independent Auditor

On February 18, 2025, Fulton's Audit Committee approved the appointment of KPMG for the fiscal year ended December 31, 2024. The Audit Committee carefully considered KPMG's qualifications and the services requiring independence. The Audit Committee determined that such services did not impair the independence of KPMG.

Fees

For the years ended December 31, 2024 and December 31, 2023, Fulton engaged KPMG, independent registered public accountants, to audit Fulton's financial statements. KPMG has served as Fulton's independent auditor since 2002. The fees incurred for services rendered by KPMG for the years ended December 31, 2024 and 2023 are summarized in the following table:

Services and Fees	2024	2023
Audit Fees – Annual Audit and Quarterly Reviews[(1)]	$3,480,000	$2,275,000
Audit Fees – Issuance of Comfort Letters and Consents	225,000	70,000
Audit Fees – Statutory Audit	62,800	61,000
Audit Fees Subtotal	3,767,800	2,406,000
Audit-Related Fees – Attestation	450,000	154,000
Tax Fees	66,500	63,000
All Other Fees	-	-
TOTAL	$4,284,300	$2,623,000

(1) Amounts are based upon the audit engagement letter and additional fees paid. We do not anticipate final billings to differ significantly from the amounts presented above.

Audit Fees. Fees related to the integrated audit of Fulton's annual financial statements for the years ended December 31, 2024 and 2023, and for the reviews of the financial statements included in Fulton's quarterly reports on Form 10-Q and 10-K for 2024 and 2023.

Audit-Related Fees. Audit related fees for 2024 and 2023 relate to attestation engagements.

Tax Fees. Tax fees were paid for tax services relating to federal and state tax matters.

All Other Fees. There were no other fees for 2024 or 2023.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee pre-approved all fees paid to KPMG in 2024 and 2023. The Audit Committee pre-approves all auditing and permitted non-auditing services, including the fees and terms thereof, to be performed by KPMG, subject to de minimis exceptions for non-auditing services permitted by the Exchange Act. The Audit Committee recommended to the Board that the financial statements be included in the Annual Report on Form 10-K for the year ended December 31, 2024.

Audit Committee Report

The Audit Committee reviewed and discussed with management Fulton's audited financial statements as of, and for the year ended, December 31, 2024.

The Audit Committee discussed with representatives of KPMG, Fulton's independent auditor, the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board ("**PCAOB**") and the SEC.

The Audit Committee received, reviewed and discussed with KPMG the written disclosures and the letter from the independent auditor required by applicable PCAOB requirements regarding the independent auditor's communications.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board that the audited consolidated financial statements of Fulton for 2024 be included in Fulton's Annual Report on Form 10-K for the year ended December 31, 2024.

Denise L. Devine, Chair
Antoinette M. Pergolin, Vice Chair
James R. Moxley III
Ronald H. Spair

MEETING AND OTHER INFORMATION

Date, Time and Place of the Annual Meeting

The Annual Meeting will be held Monday, May 20, 2025, at 10:00 a.m. eastern time at the Lancaster Marriott at Penn Square, 25 South Queen Street, Lancaster, Pennsylvania 17603. To vote at the Annual Meeting, please go to www.proxyvote.com.

Registered and beneficial shareholders may choose to attend the Annual Meeting in person. Each person attending the Annual Meeting must bring his or her proof of ownership and a valid photo identification.

Notice of Internet Availability of Proxy Materials

In accordance with rules adopted by the SEC, except for shareholders who have requested otherwise, we have generally mailed to our shareholders a Notice of Internet Availability of Proxy Materials (the "**Notice of Internet Availability**"). The Notice of Internet Availability provides instructions for either: (i) accessing our proxy materials, including the Notice of Annual Meeting of Shareholders (the "**Notice**") and Proxy Statement, the 2024 Annual Report to Shareholders, which includes our Annual Report on Form 10-K for the year ended December 31, 2024 (collectively, the "**Proxy Materials**"), at the website address referred to in the Notice of Internet Availability or (ii) requesting printed copies of the Proxy Materials by mail or electronically. If you would like to receive a paper or electronic copy of our Proxy Materials for this Annual Meeting or for future meetings, you should follow the instructions for requesting such materials included in the Notice.

The Board provided the Notice and is making the Proxy Materials available to you in connection with the Annual Meeting. As a shareholder of record on the Record Date, you are invited to attend the Annual Meeting and are entitled to, and requested to, vote on the proposals described in this Proxy Statement.

Information Contained in Proxy Statement

The information relates to the proposals to be voted on at the Annual Meeting, the voting process, compensation of our directors and most highly paid executives, and certain other required information.

Shareholders Eligible to Vote and Attend the Annual Meeting

Only those shareholders of record at the close of business on the Record Date will be entitled to receive notice of, attend and vote at the Annual Meeting.

Attendance at the Annual Meeting will be limited to shareholders of record at the close of business on the Record Date.

Shares Eligible to be Voted

At the close of business on the Record Date, Fulton had 182,199,918 shares of common stock outstanding and entitled to vote.

Vote Required

The vote required for each proposal presented at the Annual Meeting and the effect of uninstructed shares and abstentions on each proposal is as follows:

Proposal	Vote Requirement	Effect of Abstentions	Effect of Broker Non-Votes	You May Vote
1. Election of Directors	Highest number of votes cast	No effect	No effect	For or Withhold
2. Advisory vote on executive compensation	Majority of the votes cast	No effect	No effect	For, Against or Abstain
3. Ratification of independent auditor	Majority of the votes cast	No effect	No effect	For, Against or Abstain

Quorum Requirement

The holders of a majority of Fulton's outstanding shares of common stock must be present in person or by proxy at the Annual Meeting to constitute a quorum. Abstentions and broker non-votes (i.e., proxies from banks, brokers or other nominees) will be counted as being present for purposes of determining a quorum. Proxies returned without voting instructions will not be counted for purposes of determining a quorum.

A majority of the votes cast at a meeting at which a quorum is present is required in order to approve any matter submitted to a vote of the shareholders except for: (i) the election of directors, in which the director nominees receiving the highest number of votes "for" will be elected or (ii) in cases where the vote of a greater number of shares is required by law or under Fulton's Articles of Incorporation or Bylaws. Each share is entitled to one vote on all matters submitted to a vote of the shareholders.

Broker Non-Votes

If a broker indicates on the proxy card that it does not have authority to vote certain shares held in "street name," the shares not voted are referred to as "broker non-votes." Broker non-votes occur when brokers do not have discretionary voting authority to vote certain shares held in "street name" on particular proposals, and the "beneficial owner" of those shares has not instructed the broker how to vote on those proposals. If you are a beneficial owner and you do not provide instructions to your broker, bank or other nominee, your broker, bank or other nominee is permitted to vote your shares for or against "routine" matters such as Proposal 3. All of the matters on which shareholders will be asked to vote on at the Annual Meeting, with the exception of Proposal 3, are "non-routine" matters. Broker non-votes will not be counted as votes cast and will have no effect on the voting of non-routine matters.

How to Vote

There are several ways to vote your shares:

- **By mail.** If you received printed Proxy Materials, you may submit your proxy card by completing, signing and dating each proxy card received and returning it in the prepaid envelope. Proxy cards submitted by mail must be received no later than 11:59 p.m. eastern time on May 19, 2025 to be voted at the Annual Meeting;
- **By mobile device.** Scan the QR code;
- **By telephone.** Instructions are shown on your proxy card or Notice;
- **Via the Internet.** Instructions are shown on your proxy card or Notice; and
- **At the Annual Meeting.** You may vote your shares at the Annual Meeting by casting a ballot or voting online by following the instructions on the Proxy Materials sent to you.

If you are a beneficial owner of Fulton common stock, you should receive the Notice or voting instructions from your broker or other nominee holding your shares. In accordance with SEC rules, unless a shareholder elected to receive a paper copy of Fulton's Proxy Materials, Fulton is furnishing Proxy Materials to Fulton's shareholders via the Internet at www.proxyvote.com. Electronic delivery expedites the receipt of proxy materials, significantly lowers costs, and helps us conserve natural resources. If you hold shares in "street name" or "nominee name" with a bank or broker, then you should instruct your bank or broker how to vote your shares and follow the voting procedures required by your bank or broker to vote your shares.

If you submit a proxy card properly signed, dated and returned through available channels without giving specific voting instructions, the proxies will vote the shares as recommended by the Board.

Revoking or Changing Your Vote

The execution and return of the enclosed proxy card, or voting by another method, will not affect a shareholder's right to attend, and vote at, the Annual Meeting. A shareholder may revoke his or her proxy before it is counted at the Annual Meeting by: (i) delivering written notice to the Corporate Secretary, (ii) sending a new proxy card before his or her shares are voted at the Annual Meeting or (iii) voting by another method before the deadline set forth on the proxy card. Unless revoked, any proxy given pursuant to this solicitation will be voted at the Annual Meeting in accordance with the shareholder's written instructions.

The Cost of the Proxy Solicitation

This Proxy Statement is furnished in connection with the solicitation of proxies. Fulton is making this solicitation and will pay the cost of preparing, assembling, printing, mailing and distributing Proxy Materials and soliciting votes for the Annual Meeting. The solicitation of proxies or votes may be made in person, by mail, mobile device, telephone or by electronic communication by Fulton's directors, officers and employees who will not receive any compensation for such solicitation activities. Fulton will reimburse brokers and other nominees for costs incurred by them in mailing Proxy Materials in accordance with applicable laws. Fulton has engaged Alliance Advisors to assist in the solicitation of proxies at a cost of approximately $8,000, plus reimbursement for reasonable out-of-pocket expenses.

How to Obtain Fulton's Corporate Governance Information

Our corporate governance information is available on our website at www.fultonbank.com under the "Investor Relations" section. Our shareholders may also obtain written copies of our materials at no cost by writing to the Corporate Secretary at One Penn Square, P.O. Box 4887, Lancaster, Pennsylvania 17604.

Sign Up for Electronic Delivery

If you would like to save paper and reduce the costs we incur in printing and mailing Proxy Materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please go to www.proxyvote.com and follow the instructions.

COMPANY DOCUMENTS AND OTHER MATTERS

Shareholder Proposals

Shareholder proposals intended to be considered for inclusion in Fulton's proxy statement for the 2026 Annual Meeting must be received by Fulton's Corporate Secretary at One Penn Square, P.O. Box 4887, Lancaster, Pennsylvania 17604 no later than December 2, 2025, 120 calendar days prior to the anniversary date that this Proxy Statement is released to shareholders in connection with the Annual Meeting, and must satisfy the other requirements of Rule 14a-8 under the Exchange Act regarding the inclusion of shareholder proposals in company-sponsored proxy materials.

Shareholder proposals to be considered at the 2026 Annual Meeting but not included in our Proxy Materials must be received by our Corporate Secretary no later than February 16, 2026 to be considered timely.

Procedure for Shareholder Nominations

Our Bylaws permit shareholders to nominate directors for consideration at an annual meeting. To nominate a director for consideration at an annual meeting (but not for inclusion in our proxy statement), a nominating shareholder must provide the information required by our Bylaws and give timely notice of the nomination to Fulton's Corporate Secretary in accordance with our Bylaws, and each nominee must meet the qualifications required by our Bylaws. To nominate a director for consideration at the 2026 Annual Meeting, the notice must be received by Fulton's Corporate Secretary no later than December 2, 2025, 120 days prior to the date that this Proxy Statement is released to shareholders in connection with the Annual Meeting, unless the date of the 2026 Annual Meeting is changed by more than 30 days from May 20, 2026, the one-year anniversary of Fulton's Annual Meeting, in which case the proposal must be received a reasonable time before Fulton begins to print and send our Proxy Materials.

In addition, SEC Rule 14a-19 requires inclusion on our proxy card of all nominees for director for whom we have received notice under the rule, which must be received no later than 60 calendar days prior to the first anniversary of the preceding year's annual meeting. For the proxy card relating to the 2026 Annual Meeting, notice must be received by Fulton's Corporate Secretary of a shareholder's intent to solicit proxies and the names of their nominees no later than March 21, 2026 for the 2026 Annual Meeting. Such notice must comply with the requirements set forth in our Bylaws and the additional requirements of Rule 14a-19(b).

Annual Report

A copy of our Annual Report, including the financial statements and schedules, is available without charge to shareholders on our website at www.fultonbank.com in the "Investor Relations" section, from the website www.proxyvote.com, from the SEC at its website at www.sec.gov and upon written request addressed to the Corporate Secretary: Fulton Financial Corporation, Attention Corporate Secretary, P.O. Box 4887, One Penn Square, Lancaster, Pennsylvania 17604.

Householding of Proxy Materials

The SEC has adopted rules that permit companies and intermediaries, such as brokers, to satisfy delivery requirements for annual reports, proxy statements, and Notices of Internet Availability with respect to two or more shareholders sharing the same address by delivering a single annual report, proxy statement, and Notice of Internet Availability addressed to those shareholders. This process, which is commonly referred to as "householding," potentially provides extra convenience for shareholders and cost savings for companies. Only one Proxy Statement is being delivered to multiple shareholders sharing an address unless we receive contrary instructions from one or more of the shareholders. If you are eligible for householding and wish to receive one copy for all eligible shareholders in your household, or if you are receiving multiple copies of this Proxy Statement and wish to receive only one, then you may make a written request to the Corporate Secretary: Fulton Financial Corporation, Attention Corporate Secretary, P.O. Box 4887, One Penn Square, Lancaster, Pennsylvania 17604 or call 717-291-2411.

Other Matters

The Board knows of no business that will be presented for consideration at the Annual Meeting other than as stated in the Notice. If, however, other matters are properly brought before the Annual Meeting, it is the intention of the persons named in the accompanying proxy to vote the shares represented thereby on such matters in accordance with his or her best judgment.

ANNEX A

Non-Gaap Reconciliations

Fulton uses certain financial measures in this Proxy Statement that have been derived from methods other than GAAP to provide meaningful supplemental information regarding its operational performance and to enhance the overall understanding of such financial performance. The non-GAAP measures used herein include Adjusted EPS, Adjusted ROE, Adjusted Operating Expense/ Average Assets, Adjusted Efficiency Ratio and Adjusted Non-performing Assets to Total Assets.

Fulton has presented these non-GAAP financial measures because Fulton's management believes that these measures provide useful and comparative information to assess trends in Fulton's results of operations. Presentation of these non-GAAP financial measures is consistent with how Fulton evaluates its performance internally, and these non-GAAP financial measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. Management believes that these non-GAAP financial measures, in addition to GAAP measures, are also useful to investors to evaluate Fulton's results. Shareholders should recognize that Fulton's presentation of these non-GAAP financial measures might not be comparable to similarly-titled measures of other companies, and that these non-GAAP financial measures should not be considered a substitute for GAAP-basis measures. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measure are set forth below:

	2024	2023	2022
Adjusted net income available to common shareholders			
Net income available to common shareholders	$278,495,000	$274,032,000	$276,733,000
Less: Other revenue	(419,000)	-	-
Plus: Loss on securities restructuring	20,282,000	-	-
Plus: Acquisition-related and merger-related expenses	37,635,000	-	10,328,000
Plus: Current Expected Credit Losses day 1 provision expense(1)	-	-	7,954,000
Plus: Interest rate derivative transition valuation(2)	-	1,855,000	-
Plus: Federal Deposit Insurance Corporation ("**FDIC**") special assessment	940,000	6,494,000	-
Less: Gain on sale-leaseback transaction	(20,266,000)	-	-
Plus: FultonFirst implementation and asset disposals	32,038,000	3,197,000	-
Less: Tax impact of adjustments	(14,744,100)	(2,424,660)	(3,839,220)
Less: Republic First Bank transaction impact	(50,455,000)	-	-
Less: Common stock issuance impact	(7,448,000)	-	-
Adjusted net income available to common shareholders (numerator)	$276,057,900	$283,153,340	$291,175,780
Weighted average shares (diluted)	177,223,000	166,769,000	165,472,000
Less: Impact of common stock issuance	(12,673,000)	-	-
Adjusted weighted average shares (diluted) (denominator)	164,550,000	166,769,000	165,472,000
Adjusted net income available to common shareholders, per share (diluted)	**$1.678**	**$1.698**	**$1.760**

(1) Initial provision for credit losses required on non-purchased credit deteriorated loans acquired in the acquisition by the Company of Prudential Bancorp effective as of July 1, 2022.
(2) Resulting from the reference rate transition from the London Inter-Bank Offered Rate to the Secured Overnight Financing Rate in the Company's commercial customer interest rate swap program.

	2024
Adjusted return on common shareholders' equity	
Net income available to common shareholders	$278,495,000
Less: Other revenue	(419,000)
Plus: Loss on securities restructuring	20,282,000
Plus: Acquisition-related expenses	37,635,000
Plus: FDIC special assessment	940,000
Less: Gain on sale-leaseback transaction	(20,266,000)
Plus: FultonFirst implementation and asset disposals	32,038,000
Less: Tax impact of adjustments	(14,744,100)
Less: Republic First Bank transaction impact	(50,455,000)
Less: Common stock issuance impact	(7,448,000)
Adjusted net income available to common shareholders (numerator)	$276,057,900
Average shareholders' equity	$3,025,642,000
Less: Average preferred stock	(192,878,000)
Less: Republic First Bank transaction impact	(35,833,000)
Less: Common stock issuance impact	(186,584,000)
Average common shareholders' equity (denominator)	$2,610,347,000
Adjusted return on common shareholders' equity	**10.576%**

	2024
Adjusted operating expense/average assets	
Total non-interest expense	$819,791,000
Less: FDIC special assessment	(940,000)
Less: Gain on sale-leaseback transaction	20,266,000
Less: FultonFirst implementation and asset disposals	(32,038,000)
Less: Republic First Bank transaction impact	(109,586,000)
Less: Common stock issuance impact	-
Adjusted total non-interest expense (numerator)	$697,493,000
Average assets	$30,473,130,000
Less: Republic First Bank transaction impact	(2,562,893,000)
Less: Common stock issuance impact	(181,914,150)
Adjusted average assets (denominator)	$27,728,322,850
Adjusted operating expense/average assets	**2.515%**

	2024
Adjusted efficiency ratio	
Total non-interest expense	$819,791,000
Less: FDIC special assessment	(940,000)
Less: Gain on sale-leaseback transaction	20,266,000
Less: FultonFirst implementation and asset disposals	(32,038,000)
Less: Republic First Bank transaction impact	(109,586,000)
Less: Common stock issuance impact	-
Adjusted total non-interest expense (numerator)	$697,493,000
Net interest income	$960,325,000
Tax equivalent adjustment	17,915,000
Plus: Total non-interest income	275,731,000
Less: Other revenue	(1,805,000)
Less: Gain on acquisition, net of tax	(36,996,000)
Plus: Investment securities losses, net	20,283,000
Less: Republic First Bank transaction impact	(127,191,000)
Adjusted total revenue (denominator)	$1,108,262,000
Adjusted efficiency ratio	**62.936%**

	2024
Adjusted non-performing assets to total assets	
Total non-performing assets	$220,074,580
Less: Republic First Bank transaction impact	(21,102,914)
Adjusted total non-performing assets (numerator)	$198,971,666
Total Assets	$32,071,810,000
Less: Republic First Bank transaction impact	(4,616,682,000)
Less: Common stock issuance impact	(272,623,554)
Adjusted total assets (denominator)	$27,182,504,446
Adjusted non-performing assets to total assets	**0.732%**

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2024, or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 001-39680

FULTON FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Pennsylvania	23-2195389
(State or other jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification No.)
One Penn Square P. O. Box 4887 Lancaster, Pennsylvania	17604
(Address of principal executive offices)	(Zip Code)

(717) 291-2411
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of exchange on which registered
Common Stock, $2.50 par value	FULT	The Nasdaq Stock Market, LLC
Depositary Shares, Each Representing 1/40th Interest in a Share of Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series A	FULTP	The Nasdaq Stock Market, LLC

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and " emerging growth company" in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer	☒	Accelerated filer	☐	Emerging growth company	☐
Non-accelerated filer	☐	Smaller reporting company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting Common Stock held by non-affiliates of the registrant, based on the average bid and asked prices on June 30, 2024, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $3.0 billion. The number of shares of the registrant's Common Stock outstanding on February 25, 2025 was 182,199,510.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Definitive Proxy Statement of the Registrant for the Annual Meeting of Shareholders to be held on May 20, 2025 are incorporated by reference in Part III.

TABLE OF CONTENTS

Note: Some numbers contained in this Report may not sum due to rounding

FULTON FINANCIAL CORPORATION

GLOSSARY OF DEFINED ACRONYMS AND TERMS

2023 Repurchase Program	The authorization, commencing on January 1, 2023 and expiring on December 31, 2023, to repurchase up to $100 million of the Corporation's common stock
2024 Repurchase Program	The authorization, commencing on January 1, 2024 and expiring on December 31, 2024, to repurchase up to $125 million of the Corporation's common stock; under this authorization, up to $25 million of the $125 million authorization may be used to repurchase the Corporation's preferred stock and outstanding subordinate notes
2025 Proxy Statement	Definitive Proxy Statement for the Corporation's 2025 Annual Meeting of Shareholders
2025 Repurchase Program	The authorization, commencing on January 1, 2025 and expiring on December 31, 2025, to repurchase up to $125 million of the Corporation's common stock; under this authorization, up to $25 million of the $125 million authorization may be used to repurchase the Corporation's preferred stock
ACL	Allowance for Credit Losses
Acquisition Date	April 26, 2024, the date of the Republic First Transaction
AFS	Available for Sale
ALCO	Asset/Liability Management Committee
AML	Anti-Money Laundering
AOCI	Accumulated other comprehensive (loss) income
APR	Annual Percentage Rate
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
ATM	Automated Teller Machine
Basel Committee	Basel Committee on Banking Supervision
Basel III Rules	Risked-based requirements and rules issued by federal banking agencies
BHCA	Bank Holding Company Act of 1956, as amended
BMA	Bank Merger Act
BOI	Beneficial ownership information
bp or bps	Basis Point(s)
BSA	Bank Secrecy Act of 1970, as amended
Capital Rules	Regulatory capital requirements applicable to the Corporation and Fulton Bank
CCPA	California Consumer Privacy Act
CDI	Core Deposit Intangible
CECL	Current Expected Credit Losses
CECL Day 1 Provision	Initial provision for credit losses required on non-PCD Loans acquired in the Republic First Transaction in 2024 and the Merger in 2022
CECL Transition Rule	Amendments to the Capital Rules adopted by the federal banking agencies that delay the estimated impact on regulatory capital from the adoption of CECL
CET1	Common Equity Tier 1
CFPB	Consumer Financial Protection Bureau
CFTC	Commodity Futures Trading Commission
CIRST	Cyber incident response support team
CISO	Chief Information Security Officer
Corporation, Company, we, our, or us	Fulton Financial Corporation
COVID-19	Coronavirus

CPI	Consumer Price Index
CRA	Community Reinvestment Act
CTA	Corporate Transparency Act of 2019
DIF	Federal Deposit Insurance Fund
Directors' Plan	Amended and Restated 2023 Director Equity Plan
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
DOJ	U.S. Department of Justice
DOL	U.S. Department of Labor
DTI	Debt-to-income
DTAs	Deferred Tax Assets
EAD	Exposure at default
Economic Growth Act	Economic Growth, Regulatory Relief, and Consumer Protection Act
ECOA	Equal Credit Opportunity Act
EEOC	Equal Employment Opportunity Commission
Employee Equity Plan	2022 Amended and Restated Equity and Cash Incentive Compensation Plan
ESPP	Employee Stock Purchase Plan
ETR	Effective Tax Rate
Exchange Act	Securities Exchange Act of 1934
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
FDICIA	Federal Deposit Insurance Corporation Improvement Act
Fed Funds Rate	Target Federal Funds Rate
Federal Reserve Board	Board of Governors of the Federal Reserve System
FHLB	Federal Home Loan Bank
FinCEN	Financial Crimes Enforcement Network
FinTechs	Financial Technology Companies
FOMC	Federal Open Market Committee
Foreign Currency Nostro Accounts	Foreign currency with international correspondent banks
FRB	Federal Reserve Bank
FSOC	Financial Stability Oversight Council
FTE	Fully taxable-equivalent
Fulton Bank or the Bank	Fulton Bank, N.A.
FultonFirst initiative	Strategic initiative implemented by the Corporation
GAAP	U.S. generally accepted accounting principles
GLBA	Gramm-Leach-Bliley Act
HTM	Held to maturity
ICIRP	Integrated cybersecurity incident response plan
IDI	Insured depository institution
LGD	Loss given default
LIBOR	London Interbank Offered Rate
LIBOR Act	Adjustable Interest Rate (LIBOR) Act
LTV	Loan-to-value
Management's Discussion	Management's Discussion and Analysis of Financial Condition and Results of Operations
Merger	The acquisition by the Corporation of Prudential Bancorp effective as of July 1, 2022
MSRs	Mortgage servicing rights
NDAA	National Defense Authorization Act

Net loans	Loans and lease receivables, (net of unearned income)
NIM	Net interest margin
NIST	National Institute of Standards and Technology
N/M	Not meaningful
NMTC	New Market Tax Credits
OBS	Off-Balance-Sheet
OCC	Office of the Comptroller of the Currency
OCI	Other comprehensive income (loss)
OREO	Other real estate owned
P and A Agreement	Agreement for the acquisition of substantially all of the assets and assumption of substantially all of the deposits and certain liabilities of Republic First Bank dated as of April 26, 2024, between the Corporation and the FDIC, as receiver of Republic First Bank
Parent Company	Fulton Financial Corporation individually
Patriot Act	USA PATRIOT Act of 2001
PCD Loans	Loans purchased with more-than-insignificant credit deterioration
PD	Probability of default
Pension Plan	Fulton Financial Affiliates' Defined Benefit Pension Plan
Postretirement Plan	Postretirement Benefits Plan
Prudential Bancorp	Prudential Bancorp, Inc.
Prudential Bancorp Pension Plan	The Pentegra Defined Benefits Plan for Financial Institutions, a multiemployer defined benefit pension plan
PSU	Performance-based restricted stock unit
PWDP	Portfolio-weighted default probability approach
Republic First Bank	Republic First Bank, doing business as Republic Bank
Republic First Assets and Liabilities	The assets acquired and liabilities assumed of Republic First Bank by Fulton Bank in connection with the Republic First Transaction
Republic First Transaction	The acquisition of substantially all of the assets and assumption of substantially all of the deposits and certain liabilities of Republic First Bank by Fulton Bank from the FDIC, as receiver for Republic First Bank
QM	Qualified mortgage
RESPA	Real Estate Settlement Procedures Act
Risk Committee	Risk Committee of the Corporation's Board of Directors
ROU	Right-of-use
RSU	Restricted stock unit
RWA	Risk-weighted assets
S&P 500	Standard and Poor's 500 index
SAB	Staff Accounting Bulletin
Sale-Leaseback Transaction	Sale of 40 financial center office locations to certain affiliates of Blue Owl Capital Inc. with concurrent agreements to lease each of the locations
SBA	Small Business Administration
SEC	U.S. Securities and Exchange Commission
SOFR	Secured Overnight Financing Rate
Tax Act	Tax Cuts and Jobs Act of 2017
Tax Code	U.S. Internal Revenue Code of 1986, as amended
TCI	Tax credit investment
TDR	Troubled debt restructuring
TruPS	Trust Preferred Securities
TILA	Truth in Lending Act
UST	United States Treasury

VIEs	Variable Interest Entities
Visa Shares	Visa, Inc. Class B restricted shares
Volcker Rule Regulators	FDIC, Federal Reserve Board, OCC, Commodity Futures Trading Commission and SEC

FORWARD-LOOKING STATEMENTS

The Corporation has made, and may continue to make, certain forward-looking statements with respect to its 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, the Corporation's future financial performance, expected levels of future expenses, including future credit losses, anticipated growth strategies, descriptions of new business initiatives and anticipated trends in the Corporation's business or financial results.

Forward-looking statements are neither historical facts, nor assurance of future performance. Instead, the statements are based on current beliefs, expectations and assumptions regarding the future of the Corporation's business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. 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 the Corporation's control, and actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not unduly rely on any of these forward-looking statements. Any forward-looking statement is based only on information currently available and speaks only as of the date when made. The Corporation undertakes 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. Many factors could affect future financial results including, without limitation:

- the impact of adverse conditions in the economy and financial markets, including elevated interest rates, on the performance of the Corporation's loan portfolio and demand for the Corporation's products and services;
- the potential impacts of events affecting the financial services industry on the Corporation, including increased competition for, and costs of, deposits and other funding sources, more stringent regulatory requirements relating to liquidity and interest rate risk management and capital adequacy and increased FDIC insurance expenses;
- the effects of actions by the federal government, including those of the Federal Reserve Board and other government agencies, that impact the money supply and market interest rates;
- the effects of market interest rates, and the relative balances of interest rate-sensitive assets to interest rate-sensitive liabilities, on NIM and net interest income;
- the composition of the Corporation's loan portfolio, including commercial mortgage loans, commercial and industrial loans and construction loans, which collectively represent a majority of the loan portfolio, may expose the Corporation to increased credit risk;
- the effects of changes in interest rates on demand for the Corporation's products and services;
- investment securities gains and losses, including declines in the fair value of securities which may result in charges to earnings or shareholders' equity;
- the effects of changes in interest rates or disruptions in liquidity markets on the Corporation's sources of funding;
- capital and liquidity strategies, including the Corporation's ability to comply with applicable capital and liquidity requirements, and the Corporation's ability to generate capital internally or raise capital on favorable terms;
- the effects of competition on deposit rates and growth, loan rates and growth and NIM;
- possible goodwill impairment charges;
- the impact of operational risks, including the risk of human error, inadequate or failed internal processes and systems, computer and telecommunications systems failures, faulty or incomplete data and an inadequate risk management framework;
- the loss of, or failure to safeguard, confidential or proprietary information;
- the Corporation's failure to identify and adequately and promptly address cybersecurity risks, including data breaches and cyberattacks;
- the impact of failures from third-party vendors upon which the Corporation relies to perform in accordance with contractual arrangements and the effects of concerns about other financial institutions on the Corporation;
- the potential to incur losses in connection with repurchase and indemnification payments related to sold loans;
- the potential effects of climate change on the Corporation's business and results of operations;

- the potential effects of increases in non-performing assets, which may require the Corporation to increase the ACL, charge-off loans and incur elevated collection and carrying costs related to such non-performing assets;
- the determination of the ACL, which depends significantly upon assumptions and judgments with respect to a variety of factors, including the performance of the loan portfolio, the weighted-average remaining lives of different classifications of loans within the loan portfolio and current and forecasted economic conditions, among other factors;
- the effects of the extensive level of regulation and supervision to which the Corporation and Fulton Bank are subject;
- changes in law, regulation and government policy, which could result in significant changes in banking and financial services regulation;
- the continuing impact of the Dodd-Frank Act on the Corporation's business and results of operations;
- the potential for negative consequences resulting from regulatory violations, investigations and examinations, including potential supervisory actions, the assessment of fines and penalties, the imposition of sanctions, the need to undertake remedial actions and possible damage to the Corporation's reputation;
- the effects of adverse outcomes in litigation and governmental or administrative proceedings;
- the effects of changes in U.S. federal, state or local tax laws;
- the effects of the significant amounts of time and expense associated with regulatory compliance and risk management;
- The Corporation's ability to realize anticipated reductions in non-interest expense and increases in revenue from strategic initiatives implemented from time to time intended to simplify its operating model, improve its relationship banking focus, increase productivity and enhance the customer experience;
- completed and potential acquisitions may affect costs and the Corporation may not be able to successfully integrate the acquired business or realize the anticipated benefits from such acquisitions;
- geopolitical conditions, including acts or threats of terrorism, actions taken by the United States or other governments in response to acts or threats of terrorism and/or military conflicts, including the war between Russia and Ukraine and ongoing conflicts in the Middle East, which could impact business and economic conditions in the United States and abroad;
- public health crises and pandemics and their effects on the economic and business environments in which the Corporation operates, including on the Corporation's credit quality and business operations, as well as the impact on general economic and financial market conditions;
- the Corporation's ability to achieve its growth plans;
- the Corporation's ability to attract and retain talented personnel;
- the effects of competition from financial service companies and other companies offering bank services;
- the Corporation's ability to keep pace with technological changes;
- the Corporation's reliance on its subsidiaries for substantially all of its revenues and its ability to pay dividends or other distributions;
- the effects of negative publicity on the Corporation's reputation; and
- other factors that may affect future results of the Corporation.

PART I

Item 1. Business

General

The Corporation was incorporated under the laws 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, we became a financial holding company as defined in the GLBA, which gave us the ability to expand our financial services activities under our holding company structure. See "Item 1. Business - *Competition* and - *Supervision and Regulation.*" We directly own 100% of the common stock of Fulton Bank and five non-bank entities.

On April 26, 2024, the Corporation consummated the Republic First Transaction.

On July 1, 2022, the Corporation completed our acquisition of 100% of the outstanding common stock of Prudential Bancorp. Prudential Bancorp's wholly-owned subsidiary, Prudential Bank, became our wholly-owned subsidiary. Prudential Bank merged with and into Fulton Bank on November 5, 2022.

Our Internet address is www.fultonbank.com. Electronic copies of our 2024 Annual Report on Form 10-K are available free of charge by visiting "Investor Relations - Documents" at www.fultonbank.com. Electronic copies of Quarterly Reports on Form 10-Q and Current Reports on Form 8-K are also available at this Internet address. These reports, as well as any amendments thereto, are posted on our website as soon as reasonably practicable after they are electronically filed with the SEC. The information contained on our website or in any websites linked by our website is not a part of this Annual Report on Form 10-K.

Banking and Financial Services

Through our banking subsidiary, Fulton Bank, the Corporation delivers financial services primarily within our five-state market area, comprised of Pennsylvania, Delaware, Maryland, New Jersey and Virginia, in a personalized, community-oriented style that emphasizes relationship banking.

The Corporation operates in areas that are home to a wide range of manufacturing, healthcare, agriculture and other service companies. Although a large portion of our loan portfolio is comprised of commercial loans, commercial mortgage loans and construction loans, we are not dependent upon one or a few customers and the loss of any single customer or a few customers would not have a material adverse impact on our business. See "Item 1A. Risk Factors - Interest Rate and Credit Risks - *Our loan portfolio composition subjects us to credit risk* and *A significant proportion of our loan portfolio consists of commercial mortgage loans that may pose increased credit risk."*

The Corporation offers a wide range of consumer and commercial banking products and services, as well as wealth management products and services, to our customers and the communities the Corporation serves:

Consumer Banking - We offer a diversified suite of consumer banking products and services in our market area. Our consumer banking products and services include various checking account and savings deposit products and certificates of deposit. We offer home equity loans and lines of credit as well as a variety of fixed, variable and adjustable rate mortgage products, including construction loans and jumbo residential mortgage loans, all of which are underwritten based upon loan-to-value limits specified in our lending policy. Our consumer loan products also include automobile loans, student loans, personal loans and lines of credit and checking account overdraft protection.

Commercial Banking - We provide commercial banking products and services primarily to small- and medium-sized businesses (generally with annual gross revenue of less than $150 million) in our market area. Commercial lending products include commercial real estate loans, commercial and industrial loans and construction loans. Variable, adjustable and fixed rate loans are provided, with variable and adjustable rate loans generally tied to an index, such as the Prime Rate or SOFR, as well as interest rate derivatives. Our commercial lending policy encourages relationship banking and provides guidelines related to customer creditworthiness and collateral requirements for secured loans. We offer equipment lease financing, letters of credit, cash management services and traditional deposit products to commercial customers. We have established lending limits based on our internal risk rating of a borrower and for certain types of lending commitments.

Wealth Management - We offer wealth management services, which include investment management, trust, brokerage, insurance and investment advisory services, to consumer and commercial customers in our market area through Fulton Financial Advisors and Fulton Private Bank, both operating divisions of Fulton Bank.

We deliver these products and services through a network of financial center locations. Electronic delivery channels include a network of ATMs and telephone, mobile and online banking. The variety of available delivery channels allows customers to access their account information and perform certain transactions, such as depositing checks, transferring funds and paying bills, at any time of the day. As of December 31, 2024, we had 216 financial centers, not including remote service facilities (mainly stand-alone ATMs), and our main office located in Lancaster, Pennsylvania.

Human Capital

Our workforce, excluding temporary employees and interns, consisted of approximately 3,400 employees, at December 31, 2024 and December 31, 2023.

Employee Engagement and Retention - We place a premium on having a highly engaged workforce because engaged employees tend to perform at a higher level, support our success, and are more likely to stay with the Corporation. We conduct an annual survey of our workforce to measure employee engagement, assess employee morale, and help identify areas of the employee experience that could be improved. We then task our leaders with developing and implementing communication and action plans to gain a better understanding of the results of the assessment and to foster enhanced future engagement.

Culture and Inclusion - We place significant emphasis on shaping our corporate culture, and we consider our culture to be one of the primary components of our continuing success. Our culture-shaping program, The Fulton Experience, is a highly engaging program that is intended to create new ways of thinking about employees' individual roles, how employees collaborate, and how we grow together. We recognize that having an inclusive culture fosters a culture of respect and is a crucial element of our success.

Compensation and Rewards - The Corporation invests in its workforce by offering a comprehensive Total Rewards program that includes competitive salaries, incentives, and benefits programs. We offer performance-based incentive programs designed to drive results in the business units as well as at the corporate level.

Workforce Recruitment and Development - We recruit our workforce, filling replacement and new positions through employee referrals, recruiting efforts, and by posting positions internally, on our website and on social media platforms. We provide for professional development of new and existing employees through the efforts of our Learning and Development area that develops and administers a wide variety of training programs. We also provide a number of third-party offerings in which employees can further enhance their skills, knowledge and leadership potential.

Safety, Health and Wellness - The safety, health and wellness of our employees is a top priority. In addition to healthcare, paid time off, paid parental leave and retirement benefits, we provide behavioral and mental health support and work-life services through our Employee Assistance Program.

Cybersecurity

Cybersecurity is a major component of our overall risk management approach. By the very nature of our business, handling sensitive data is a part of daily operations and is taken very seriously by all employees. The cybersecurity threat environment is volatile and dynamic requiring all levels of the organization to be cognizant and aware of these threats at all times. As such, we maintain a comprehensive cybersecurity strategy that includes, but is not limited to: regular employee cybersecurity training and communications; continuous monitoring, detection, alerting, and defense in-depth technologies; regular internal and third-party program oversight; policies and procedures regularly reviewed and designed with regulatory and industry guidance; and regular reviews of vendors who maintain sensitive data on behalf of Fulton Bank.

Given that cybersecurity threat actors are continuously adapting their techniques, it is important to note that no cybersecurity program is completely infallible. As we continue to offer new and innovative technologies for our customers, the risk of cybersecurity attacks and our oversight of this risk will remain at a high level. See "Item 1C. Cybersecurity."

Climate Risk Management

At this time, we have not experienced material losses from climate change. However, we are aware that its impact may increase in the future. We recognize the potential impact climate change may have on us, our clients, our suppliers, employees, shareholders, and the communities we serve. We are cognizant of our responsibility to better understand the impact of our operations on global climate change and are taking steps to help ensure our organization operates in a manner consistent with responsible environmental stewardship. We are susceptible to losses and disruptions caused by fire, power shortages, telecommunications failures, water shortages, floods, and other extreme weather conditions. Climate change may contribute to or exacerbate these conditions. We are also susceptible to losses arising from policy changes, energy costs, and shifts in market and customer sentiment that can impact us and our clients as well as other key stakeholders. As the potential impact of climate change broadens, we will continue to assess and respond to climate risks as they evolve.

Non-Bank Subsidiaries

We own 100% of the outstanding equity of five non-bank subsidiaries, which are consolidated for financial reporting purposes: (i) Fulton Financial Realty Company, which holds title to or leases certain properties where our financial centers and other facilities are located; (ii) Central Pennsylvania Financial Corp., which owns limited partnership interests in partnerships invested primarily in low- and moderate-income housing projects; (iii) FFC Penn Square, Inc., which owns TruPS issued by a subsidiary of Fulton Bank; (iv) Fulton Insurance Services Group, Inc., which engages in the sale of various life insurance products; and (v) Fulton Community Partner, LLC, whose mission is to change lives for the better by supporting community and economic development projects in distressed and underserved communities through participation in the NMTC program.

Competition

The banking and financial services industries are highly competitive. Within our geographic region, we face direct competition from other commercial banks, varying in size from local community banks to regional and national banks, credit unions and non-bank entities. As a result of the wide availability of electronic delivery channels, we also face competition from financial institutions that do not have a physical presence in our geographic markets.

The industry is also highly competitive due to the various types of entities that now compete aggressively for customers that were traditionally served only by the banking industry. Under the current financial services regulatory framework, banks, insurance companies and securities firms may affiliate under a financial holding company structure, allowing their expansion into non-banking financial services activities that had previously been restricted. These activities include a full range of banking, securities and insurance activities, including securities and insurance underwriting, issuing and selling annuities and merchant banking activities. Moreover, we face increased competition from certain non-bank entities, such as FinTechs, private equity funds, private debt funds and marketplace lenders, that in many cases, are not subject to the same regulatory compliance requirements as us.

Stock Information

The Corporation's common stock is traded on the Nasdaq Global Select Market under the ticker symbol "FULT." There are 600 million authorized shares of the Corporation's common stock, with approximately 182 million shares outstanding as of December 31, 2024. The Corporation has an additional 10 million authorized shares of preferred stock, of which approximately 200,000 shares with a liquidation preference of $1,000 per share were outstanding as of December 31, 2024.

Supervision and Regulation

We operate in an industry that is subject to laws and regulations that are enforced by a number of federal and state agencies. Changes in these laws and regulations, including interpretation and enforcement activities, could impact the cost of operating in the financial services industry, limit or expand permissible activities or affect competition among banks and other financial institutions.

The Corporation is a registered bank holding company that has elected to be treated as a financial holding company under the BHCA. The Corporation is regulated, supervised and examined by the Federal Reserve Board. Fulton Bank is a national banking association chartered under the laws of the United States and is primarily regulated by the OCC. In addition, the CFPB examines Fulton Bank for compliance with most federal consumer financial protection laws, including the laws relating to fair lending and prohibiting unfair, deceptive or abusive acts or practices in connection with the offer, sale or provision of consumer financial products or services and enforces such laws with respect to Fulton Bank and our affiliates.

Federal statutes that apply to us and our subsidiaries include the GLBA, the BHCA, the Dodd-Frank Act, the Federal Reserve Act, the National Bank Act and the Federal Deposit Insurance Act, among others. In general, these statutes, regulations promulgated thereunder, and related interpretations establish the eligible business activities we can engage in, certain acquisition and merger restrictions, limitations on intercompany transactions (such as loans and dividends), cash reserve requirements, lending limitations, compliance with unfair, deceptive and abusive acts and practices prohibitions, limitations on investments, and capital adequacy requirements, among other things. Such laws and regulations are intended primarily for the protection of depositors, customers and the DIF, as well as to minimize risk to the banking system as a whole, and, as a result, these laws and regulations are not for the protection of our shareholders or non-depository creditors.

The following discussion is general in nature and seeks to highlight some of the more significant regulatory requirements to which we are subject but does not purport to be complete or to describe all applicable laws and regulations.

BHCA - The Corporation is subject to regulation and examination by the Federal Reserve Board and is required to file periodic reports and to provide additional information that the Federal Reserve Board may require. The BHCA regulates activities of bank holding companies, including requirements and limitations relating to capital, transactions with officers, directors and affiliates, securities issuances, dividend payments and extensions of credit, among others. The BHCA permits the Federal Reserve Board, in certain circumstances, to issue cease and desist orders and other enforcement actions against bank holding companies (and their non-banking affiliates) to correct or curtail unsafe or unsound banking practices. In addition, the Federal Reserve Board must approve certain proposed changes in organizational structure or other business activities before they occur. The BHCA imposes certain restrictions upon the Corporation regarding the acquisition of substantially all of the assets of, or direct or indirect ownership or control of, any bank for which it is not already the majority owner.

Source of Strength - Federal banking law requires bank holding companies like us to act as a source of financial strength and to commit capital and other financial resources to each of their banking subsidiaries. This support may be required at times when we may not be able to provide such support without adversely affecting our ability to meet other obligations or when, absent such requirements, we might not otherwise choose to provide such support. If we are unable to provide such support, the Federal Reserve Board could instead require the divestiture of our subsidiaries and impose operating restrictions pending the divestiture. If a bank holding company commits to a federal bank regulator that it will maintain the capital of its bank subsidiary, whether in response to the Federal Reserve Board's invoking its source of strength authority or in response to other regulatory measures, that commitment will be assumed by the bankruptcy trustee, and the bank will be entitled to priority payment in respect of that commitment.

The Economic Growth Act - The Economic Growth Act amended certain provisions of the Dodd-Frank Act to raise the total asset threshold for mandatory applicability of enhanced prudential standards for bank holding companies to $250 billion and to allow the Federal Reserve Board to apply enhanced prudential standards to bank holding companies with between $100 billion and $250 billion in total assets to address financial stability risks or safety and soundness concerns. The Economic Growth Act's increased threshold took effect immediately for bank holding companies with total assets of less than $100 billion, including the Corporation.

The Economic Growth Act also enacted other important changes, for which the banking agencies issued certain corresponding guidance documents and implementing regulations, including:

- Raising the total asset threshold for Dodd-Frank Act company-run stress tests from $10 billion to $250 billion;
- Prohibiting federal banking agencies from imposing higher capital requirements for high volatility commercial real estate exposures unless such exposures meet the statutory definition for high volatility acquisition, development or construction loans in the Economic Growth Act;
- Exempting from appraisal requirements certain transactions involving real property in rural areas and valued at less than $400,000;
- Providing that reciprocal deposits are not treated as brokered deposits in the case of a "well capitalized" institution that received an "outstanding" or "good" rating on its most recent examination to the extent the amount of such deposits does not exceed the lesser of $5 billion or 20% of the bank's total liabilities; and
- Directing the CFPB to provide guidance on the applicability of the TILA-RESPA Integrated Disclosure rule to mortgage assumption transactions and construction-to-permanent home loans, as well the extent to which lenders can rely on model disclosures that do not reflect recent regulatory changes.

Given Fulton Bank's size, a number of additional benefits afforded to community banks under applicable asset thresholds are not available to Fulton Bank.

Consumer Financial Protection Laws and Enforcement - The CFPB and the federal banking agencies continue to focus attention on consumer protection laws and regulations. The CFPB is responsible for promoting fairness and transparency for mortgages, credit cards, deposit accounts and other consumer financial products and services and for interpreting and enforcing the federal consumer financial laws that govern the provision of such products and services. Federal consumer financial laws enforced by the CFPB include, but are not limited to, the ECOA, the TILA, the Truth in Savings Act, the Home Mortgage Disclosure Act, the RESPA, the Fair Debt Collection Practices Act, and the Fair Credit Reporting Act. The CFPB is also authorized to prevent any institution under its authority from engaging in an unfair, deceptive, or abusive act or practice in connection with consumer financial products and services. As a residential mortgage lender, we are subject to multiple federal consumer protection statutes and regulations, including, but not limited to, those statutes and regulations referenced above.

In particular, fair lending laws prohibit discrimination in the provision of banking services. Fair lending laws include the ECOA and the Fair Housing Act, both of which outlaw discrimination in credit and residential real estate transactions on the basis of prohibited factors including, among others, race, color, national origin, gender, and religion. A lender may be liable for policies that result in a disparate treatment of, or have a disparate impact on, a protected class of applicants or borrowers. If a pattern or practice of lending discrimination is alleged by a regulator, then that agency may refer the matter to the DOJ for investigation. Failure to comply with these and similar statutes and regulations could subject us to formal or informal enforcement actions, the imposition of civil money penalties and litigation.

The CFPB has exclusive examination and primary enforcement authority with respect to compliance with federal consumer financial protection laws and regulations by institutions under its supervision and is authorized, individually or jointly with the federal banking agencies, to conduct investigations to determine whether any person is, or has, engaged in conduct that violates such laws or regulations. The CFPB may bring an administrative enforcement proceeding or civil action in federal district court. In addition, in accordance with a memorandum of understanding entered into between the CFPB and the DOJ, the two agencies have agreed to coordinate efforts related to enforcing the fair lending laws, which includes information sharing and conducting joint investigations; however, the extent to which such coordination may actually occur is unpredictable and may change over time as the result of a number of factors, including changes in leadership at the DOJ and the CFPB, as well as changes in the enforcement policies and priorities of each agency. As an independent bureau funded by the Federal Reserve Board, the CFPB may impose requirements that are more stringent than those of the other bank regulatory agencies.

As an IDI with total assets of more than $10 billion, Fulton Bank is subject to the CFPB's supervisory and enforcement authorities. The Dodd-Frank Act also permits states to adopt stricter consumer protection laws and authorizes state attorneys general to enforce consumer protection rules issued by the CFPB. As a result, Fulton Bank operates in a stringent consumer compliance environment.

Ability-to-pay rules and qualified mortgages - Under the CFPB rules that implement the TILA, mortgage lenders are required to make a reasonable and good faith determination, based on verified and documented information, that a consumer applying for a residential mortgage loan has a reasonable ability to repay the loan according to its terms. These rules prohibit creditors, such as Fulton Bank, from extending residential mortgage loans without regard for the consumer's ability to repay and add restrictions and requirements to residential mortgage origination and servicing practices. In addition, these rules restrict the imposition of prepayment penalties and compensation practices relating to residential mortgage loan origination. Mortgage lenders are required to determine a consumer's ability to repay in one of two ways. The first alternative requires the mortgage lender to consider eight underwriting factors when making the credit decision. The mortgage lender may also originate "qualified mortgages" which are entitled to a presumption that the creditor making the loan satisfied the ability-to-repay requirements. In general, a QM is a residential mortgage loan that does not have certain high-risk features, such as negative amortization, interest-only payments, balloon payments, or a term exceeding 30 years. In addition, to be a QM loan, the points and fees paid by a consumer cannot exceed 3% of the total loan amount, and the borrower's total DTI ratio must be no higher than 43% (subject to certain limited exceptions for loans eligible for purchase, guarantee or insurance by a government sponsored enterprise or a federal agency).

In December 2020, the CFPB issued two final rules related to QM loans. The first rule replaces the strict DTI threshold for QM loans and provides that, in addition to existing requirements, a loan receives a conclusive presumption that the consumer had the ability to repay if the APR does not exceed the average prime offer rate for a comparable transaction by 1.5 percentage points or more as of the date the interest rate is set. Further, a loan receives a rebuttable presumption that the consumer had the ability to repay if the APR exceeds the average prime offer rate for a comparable transaction by 1.5 percentage points or more but by less than 2.25 percentage points. The second rule creates a new category of "seasoned" QM loans for those that meet certain performance requirements. Specifically, that rule allows a non-QM loan or a "rebuttable presumption" QM loan to receive a safe harbor from APR liability at the end of a "seasoning" period of at least 36 months as a "seasoned QM" if it satisfies certain product restrictions, points-and-fees limits, and underwriting requirements, and the loan meets the designated performance and portfolio requirements during the "seasoning period."

Integrated disclosures under the RESPA and the TILA - Under the CFPB rules, mortgage lenders are required to provide a loan estimate, not later than the third business day after submission of a loan application, and a closing disclosure at least three days prior to the loan closing. The loan estimate must detail the terms of the loan, including, among other things, expenses, projected monthly mortgage payments and estimated closing costs. The closing disclosure must include, among other things, closing costs and a comparison of costs reported on the loan estimate to actual charges to be applied at closing.

Volcker Rule - Provisions of the Dodd-Frank Act, commonly known as the "Volcker Rule," prohibit banks and their affiliates from engaging in proprietary trading and investing in and sponsoring hedge funds and private equity funds and other private funds that are, among other things, offered within specified exemptions to the Investment Company Act, known as "covered funds," subject to certain exemptions. Volcker Rule compliance requirements are based on the size and scope of a banking entity's trading activities. Our investing and trading activities have and will continue to depend on, among other things, further rulemaking and guidance that may be issued by the Volcker Rule Regulators and the development of market practices and standards.

Capital Requirements - The Corporation and Fulton Bank are subject to the Basel III Rules that are based upon the final framework of the Basel Committee for strengthening capital and liquidity regulation. Under the Basel III Rules, the Corporation and Fulton Bank apply the standardized approach in measuring RWA and regulatory capital.

Under the Basel III Rules, the Corporation and Fulton Bank are subject to the following minimum capital ratios:

- A minimum CET1 capital ratio of 4.50% of RWA;
- A minimum Tier 1 capital ratio of 6.00% of RWA;
- A minimum Total capital ratio of 8.00% of RWA; and
- A minimum Tier 1 leverage ratio (Tier 1 capital to a quarterly average of non-risk weighted total assets) of 4.00%.

The Basel III Rules also included a "capital conservation buffer" of 2.5%, composed entirely of CET1 capital, in addition to the minimum capital to RWA ratios outlined above, resulting in effective minimum CET1, Tier 1 and total capital ratios of 7.0%, 8.5% and 10.5%, respectively. The capital conservation buffer is designed to absorb losses during periods of economic stress. Banking institutions with a capital ratio above the minimum, but below the conservation buffer, will face restrictions on dividends, equity repurchases, and executive compensation based on the amount of the shortfall and the institution's "eligible retained income" (that is, four quarter trailing net income, net of distributions and tax effects not reflected in net income). As of December 31, 2024, the Corporation and Fulton Bank exceeded the minimum capital requirements, including the capital conservation buffer, as prescribed in the Basel III Rules.

The Basel III Rules also provide that the largest banking institutions must adhere to additional countercyclical buffer and supplementary leverage ratio requirements. The Corporation and Fulton Bank are not presently subject to these requirements.

The Basel III Rules provide for a number of required deductions from and adjustments to CET1. These deductions and adjustments include, for example, goodwill, other intangible assets, and DTAs that arise from net operating loss and tax credit carryforwards net of any related valuation allowance. MSRs, DTAs arising from temporary differences that could not be realized through net operating loss carrybacks and investments in non-consolidated financial institutions must also be deducted from CET1 to the extent that they exceed certain thresholds. Through subsequent rulemaking, the federal banking agencies provided certain forms of relief to banking organizations, such as the Corporation and Fulton Bank, that are not subject to the advanced approaches framework. The Corporation and Fulton Bank made a one-time, permanent election under the Basel III Rules to exclude the effects of certain components of AOCI included in shareholders' equity under GAAP in determining regulatory capital ratios.

Under the Basel III Rules, certain off-balance sheet commitments and obligations are converted into RWA, that together with on-balance sheet assets, are the base against which regulatory capital is measured. The Basel III Rules defined the risk-weighting categories for bank holding companies and banks that follow the standardized approach, such as the Corporation and Fulton Bank, based on a risk-sensitive analysis, depending on the nature of the exposure.

The Capital Rules eliminated the standalone prior approval requirement in the Basel III Rules for any repurchase of common stock. In certain circumstances, repurchases of our common stock may be subject to a prior approval or notice requirement under other regulations or policies of the Federal Reserve Board. Any redemption or repurchase of preferred stock or subordinated debt remains subject to the prior approval of the Federal Reserve Board.

The Basel Committee published the last version of the Basel III accord in 2017, generally referred to as "Basel IV." Among other things, these standards revise the Basel Committee's standardized approach for credit risk (including by recalibrating risk weights and introducing new capital requirements for certain "unconditionally cancellable commitments," such as unused credit card and home equity lines of credit) and provides a new standardized approach for operational risk capital. Under the Basel framework, these standards became effective on January 1, 2022, with an aggregate output floor phasing in through January 1, 2027. Under the current U.S. capital rules, operational risk capital requirements and a capital floor apply only to advanced approaches institutions, and not the Corporation or Fulton Bank. The impact of Basel IV on the Corporation and Fulton Bank will depend on the manner in which it is implemented by the federal banking agencies. As of December 31, 2024, the

Corporation and Fulton Bank exceeded all capital requirements necessary to be deemed "well-capitalized" for all regulatory purposes under the U.S. capital rules.

Stress Testing and Capital Planning - As a result of the Economic Growth Act and implementing regulations adopted by the Federal Reserve Board and the OCC, the Corporation and Fulton Bank are no longer subject to company-run stress testing requirements under the Dodd-Frank Act. The Federal Reserve Board continues to supervise our capital planning and risk management practices through its regular supervisory process which includes regular stress testing.

CECL Transitional Provisions – On August 26, 2020, the federal bank regulatory agencies adopted the CECL Transition Rule that provides banking institutions an optional five-year transition period to phase in the impact of the CECL standard on their regulatory capital. The final rule gives eligible institutions the option to mitigate the estimated capital effects of CECL for two years, followed by a three-year transition period. Taken together, these measures offer institutions a transition period of up to five years. We have elected to avail ourselves of the transition relief permitted under applicable regulations.

Prompt Corrective Action - The FDICIA established a system of prompt corrective action to attempt to resolve the problems of undercapitalized institutions. The FDICIA, among other things, establishes five capital categories for FDIC-insured banks: "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" and "critically undercapitalized." An IDI is treated as well capitalized if its total risk-based capital ratio is 10.00% or greater, its Tier 1 risk-based capital ratio is 8.00% or greater, its CET1 risk-based capital ratio is 6.50% or greater and its Tier 1 leverage capital ratio is 5.00% or greater, and it is not subject to any order or directive to meet a specific capital level**.** As of December 31, 2024, Fulton Bank's capital ratios were above the minimum levels required to be considered "well capitalized" by the OCC.

Under this system, the federal banking agencies are required to take certain, and authorized to take other, prompt corrective actions against undercapitalized institutions, the severity of which increase as the capital category of an institution declines, including restrictions on growth of assets and other forms of expansion. Generally, a capital restoration plan must be filed with the institution's primary federal regulator within 45 days of the date an institution receives notice that it is "undercapitalized," "significantly undercapitalized" or "critically undercapitalized." Although prompt corrective action regulations apply only to depository institutions and not to bank holding companies, bank holding companies must guarantee any such capital restoration plan in certain circumstances. The liability of a bank holding company under any such guarantee is limited to the lesser of 5.00% of the bank's relevant assets at the time it became "undercapitalized" or the amount needed to comply. A bank holding company might also be liable for civil money damages for failure to fulfill that guarantee. In the event of the bankruptcy of a bank holding company, such guarantee would take priority over the bank holding company's general unsecured creditors.

In addition, regulators consider both risk-based capital ratios and other factors that can affect a bank's financial condition, including (i) concentrations of credit risk, (ii) interest rate risk, and (iii) risks from non-traditional activities, along with an institution's ability to manage those risks, when determining capital adequacy. This evaluation is made during the institution's safety and soundness examination. An institution may be downgraded to, or deemed to be in, a capital category that is lower than is indicated by its capital ratios if it is determined to be in an unsafe or unsound condition or if it receives an unsatisfactory examination rating with respect to certain matters.

Brokered Deposits - The FDICIA and FDIC regulations limit the ability of an IDI, such as Fulton Bank, to accept, renew or roll over brokered deposits unless the institution is well-capitalized under the prompt corrective action framework described above, or unless it is adequately capitalized and obtains a waiver from the FDIC. In addition, less than well-capitalized banks are subject to restrictions on the interest rates they may pay on deposits. The characterization of deposits as "brokered" may result in the imposition of higher deposit assessments on such deposits. There is a limited exception from the scope of “brokered” deposits for reciprocal deposits for IDIs that are well-rated and well-capitalized (or adequately capitalized and for which the IDI has obtained a waiver from the FDIC as mentioned above). Under this limited exception, qualified IDIs, like Fulton Bank, are able to except from treatment as "brokered" deposits the lesser of up to $5 billion, or 20% of the institution's total liabilities, in reciprocal deposits.

On July 30, 2024, the FDIC issued a proposed rule that would significantly revise the existing brokered deposits regulation as outlined above. Among other things, the proposed rule would broaden the scope of deposits that IDIs would be required to classify as brokered and narrow the exception to the definition of the term “deposit broker,” which would result in more deposits being classified as brokered deposits. As a result of the change in the U.S. presidential administration, and based on recent statements from the new Acting Chairman of the FDIC, the proposed rule is unlikely to be adopted as proposed and the prospects and timing for any re-proposal or supervisory action in this area remain uncertain at this time.

Loans and Dividends from Bank Subsidiary - There are various restrictions on the extent to which Fulton Bank can make loans and other extensions of credit (including credit exposure arising from repurchase and reverse repurchase agreements, securities borrowing and derivative transactions) to, or enter into certain transactions with, its affiliates, which includes the Corporation and its non-bank subsidiaries. In general, these restrictions require that such transactions: (i) with the Corporation or any of its non-bank subsidiaries be limited to 10% of Fulton Bank's regulatory capital (20% in the aggregate to all such entities); (ii) satisfy certain qualitative limitations, including that any covered transaction be made on an arm's length basis; and (iii) in the case of extensions of credit, be secured by designated amounts of specified collateral.

For safety and soundness reasons, banking regulations also limit the amount of cash that can be transferred from Fulton Bank to the Corporation in the form of dividends. Generally, dividends are limited to the lesser of the amounts calculated under an earnings retention test and an undivided profits test. Under the earnings retention test, without the prior approval of the OCC, a dividend may not be paid if the total of all dividends declared by a bank in any calendar year is in excess of the current year's net income combined with the retained net income of the two preceding years. Under the undivided profits test, a dividend may not be paid in excess of a bank's undivided profits. In addition, banks are prohibited from paying dividends when doing so would cause them to fall below the regulatory minimum capital levels. See "Note 12 - Regulatory Matters," in the Notes to Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data" for additional information regarding regulatory capital and dividend and loan limitations.

Federal Deposit Insurance - The deposits of Fulton Bank are insured up to the applicable limits by the DIF, generally up to $250,000 per insured depositor. Fulton Bank pays deposit insurance premiums based on assessment rates established by the FDIC. The FDIC has established a risk-based assessment system under which institutions are classified and pay premiums according to their perceived risk to the DIF. In addition, the FDIC possesses backup enforcement authority over a depository institution holding company, like us, if the conduct or threatened conduct of such bank holding company poses a risk to the DIF, although such authority may not be used if the bank holding company is generally in sound condition and does not pose a foreseeable and material risk to the DIF.

FDIC assessment rates for large institutions that have more than $10 billion in assets, such as Fulton Bank, are calculated based on a "scorecard" methodology that seeks to capture both the probability that an individual large institution will fail and the magnitude of the impact on the DIF if such a failure occurs that is based primarily on the difference between the institution's average of total assets and average tangible equity, or its assessment base. The FDIC has the ability to make discretionary adjustments to the total score, up or down, based upon significant risk factors that are not adequately captured in the scorecard. For large institutions, including Fulton Bank, after accounting for potential base-rate adjustments, the total assessment rate could range from 1.5 to 40 bps on an annualized basis. An institution's assessment is determined by multiplying its assessment rate by its assessment base.

In November 2023, the FDIC issued a final rule to implement a special assessment to recover losses to the DIF arising from the protection of uninsured depositors following the closures of Silicon Valley Bank and Signature Bank in 2023. The special assessment is based on an IDI's estimated uninsured deposits as of December 31, 2022, adjusted to exclude the first $5.0 billion of estimated uninsured deposits, and will be assessed at a quarterly rate of 3.36 bps, over eight quarterly assessment periods, beginning in the first quarter of 2024. As a result of this final rule, we accrued $6.5 million ($5.1 million after tax) related to this assessment in the fourth quarter of 2023. This amount represents our current expectation of the full amount of the assessment based on our total uninsured deposits as of December 31, 2022. Under the final rule, the estimated losses to the DIF may be revised from time to time, and the FDIC has retained the ability to cease collection early, extend the special assessment collection period and impose a final shortfall special assessment on a one-time basis. The extent to which any such additional future assessments will impact our future deposit insurance expense is currently uncertain.

The Tax Act disallows the deduction of FDIC deposit insurance premium payments for banking organizations with total consolidated assets of $50 billion or more. For banks with less than $50 billion in total consolidated assets, such as Fulton Bank, the premium deduction is phased out based on the proportion of the bank's assets exceeding $10 billion.

BSA, AML Requirements and the Patriot Act - The Patriot Act amended the BSA and other AML laws and regulations and imposed affirmative obligations on a wide range of financial institutions to maintain appropriate policies, procedures and controls to detect, prevent and report money laundering and terrorist financing.

Among other requirements, the Patriot Act and related regulations impose the following requirements on financial institutions:

- establishment of AML programs;
- establishment of a program specifying procedures for obtaining identifying information from customers seeking to open new accounts, including verifying the identity of customers within a reasonable period of time;
- establishment of enhanced due diligence policies, procedures and controls designed to detect and report money laundering; and

- prohibition on correspondent accounts for foreign shell banks and compliance with recordkeeping obligations with respect to correspondent accounts of foreign banks.

Failure to comply with the requirements of the Patriot Act and other AML laws and regulations could have serious legal, financial, regulatory and reputational consequences. In addition, bank regulators will consider a bank holding company's effectiveness in combating money laundering when ruling on BHCA and BMA applications. In addition, financial institutions are subject to customer due diligence requirements, issued by the FinCEN, to identify and verify the identity of natural persons, known as beneficial owners, who own, control, and profit from legal entity customers when those customers open accounts. We have adopted policies, procedures and controls to address compliance with the Patriot Act and other BSA and AML laws and regulations, and we will continue to revise and update our policies, procedures and controls to reflect required changes.

Commercial Real Estate Guidance — Under guidance issued by the federal banking agencies, the agencies have expressed concerns with institutions that ease commercial real estate underwriting standards and have directed financial institutions to maintain underwriting discipline and exercise risk management practices to identify, measure and monitor lending risks. The agencies have also issued guidance that requires a financial institution to employ enhanced risk management practices if the institution is exposed to significant concentration risk. Under that guidance, an institution is potentially exposed to significant concentration risk if: (i) total reported loans for construction, land development, and other land represent 100% or more of total capital or (ii) total reported loans secured by multi-family and non-farm residential properties, loans for construction, land development, and other land loans otherwise sensitive to the general commercial real estate market, including loans to commercial real estate related entities, represent 300% or more of total capital, and the outstanding balance of the institution's commercial real estate loan portfolio has increased by 50% or more during the prior 36 months.

Community Reinvestment — Under the CRA, Fulton Bank has a continuing and affirmative obligation, consistent with its safe and sound operation, to ascertain and meet the credit needs of its entire community, including low- and moderate-income areas. The CRA does not establish specific lending requirements or programs for financial institutions, nor does it limit an institution's discretion to develop the types of products and services that it believes are best suited to its particular community. The CRA requires an institution's primary federal regulator, in connection with its examination of the institution, to assess the institution's record of meeting the credit needs of its community and to take such record into account in its evaluation of certain applications by such institution. The assessment focuses on three tests: (i) a lending test, to evaluate the institution's record of making loans, including community development loans, in its designated assessment areas; (ii) an investment test, to evaluate the institution's record of investing in community development projects, affordable housing, and programs benefiting low- or moderate-income individuals and areas and small businesses; and (iii) a service test, to evaluate the institution's delivery of banking services throughout its CRA assessment area, including low- and moderate-income areas. The CRA also requires all institutions to make public disclosure of their CRA ratings. As of December 31, 2024, Fulton Bank was rated as "outstanding." Current regulations require that Fulton Bank publicly disclose certain agreements that are in fulfillment of CRA. Fulton Bank is not a party to any such agreements at this time.

On October 24, 2023, the federal regulatory agencies jointly issued a final rule to strengthen and modernize regulations implementing the CRA. On March 29, 2024, a federal district court in Texas granted a preliminary injunction barring implementation of the final rule in response to a lawsuit filed by several trade groups. We will continue to monitor the litigation until resolved. We have also begun efforts to evaluate the impact of the new rule and develop a strategy to ensure compliance.

Standards for Safety and Soundness - Pursuant to the requirements of the FDICIA, as amended by the Riegle Community Development and Regulatory Improvement Act of 1994, the federal bank regulatory agencies adopted guidelines establishing general standards relating to internal controls, information systems, internal audit systems, loan documentation, credit underwriting, interest rate risk exposure, asset growth, asset quality, earnings, compensation, fees and benefits. In general, the guidelines require, among other things, appropriate systems and practices to identify and manage the risks and exposures specified in the guidelines. In addition, the agencies adopted regulations that authorize, but do not require, an agency to order an institution that has been given notice by an agency that it is not satisfying any of such safety and soundness standards to submit a compliance plan. If the institution fails to submit an acceptable compliance plan or fails in any material respect to implement an accepted compliance plan, the regulator must issue an order directing corrective actions and may issue an order directing other actions of the types to which a significantly undercapitalized institution is subject under the "prompt corrective action" provisions of FDICIA. If the institution fails to comply with such an order, the regulator may seek to enforce such order in judicial proceedings and to impose civil money penalties.

Incentive Compensation - Federal banking agencies have issued guidance on incentive compensation policies intended to ensure that the incentive compensation policies of banking organizations do not undermine the safety and soundness of such organizations by encouraging excessive risk-taking. The guidance, which covers all employees that have the ability to materially affect the risk profile of an organization, is based upon the key principles that a banking organization's incentive compensation arrangements should (i) provide incentives that do not encourage risk-taking beyond the organization's ability to effectively identify and manage risks, (ii) be compatible with effective internal controls and risk management, and (iii) be supported by strong corporate governance, including active and effective oversight by the organization's board of directors. In accordance with the Dodd-Frank Act, the federal banking agencies prohibit incentive-based compensation arrangements that encourage inappropriate risk taking by covered financial institutions (generally institutions, like us, that have over $1 billion in assets) and are deemed to be excessive, or that may lead to material losses.

The Federal Reserve will review, as part of the regular, risk-focused examination process, the incentive compensation arrangements of banking organizations, such as the Corporation, that are not "large, complex banking organizations." These reviews will be tailored to each organization based on the scope and complexity of the organization's activities and the prevalence of incentive compensation arrangements. The findings of the supervisory initiatives will be included in reports of examination. Deficiencies will be incorporated into the organization's supervisory ratings, which can affect the organization's ability to make acquisitions and take other actions. Enforcement actions may be taken against a banking organization if its incentive compensation arrangements, or related risk-management control or governance processes, pose a risk to the organization's safety and soundness, and the organization is not taking prompt and effective measures to correct the deficiencies.

In accordance with SEC rules, securities exchanges have adopted rules mandating, in the case of an accounting restatement, the recovery or "clawback" of excess incentive-based compensation paid to current or former executive officers and requiring listed issuers to disclose any recovery analysis where recovery is triggered by a restatement.

The scope and content of the U.S. banking regulators' policies on executive compensation may continue to evolve in the near future. It cannot be determined at this time whether compliance with such policies will adversely affect the Corporation's ability to hire, retain, and motivate its key employees.

Privacy Protection and Cybersecurity — Fulton Bank is subject to regulations implementing the privacy protection provisions of the GLBA. These regulations require Fulton Bank to disclose its privacy policy, including identifying with whom it shares "nonpublic personal information," to customers at the time of establishing the customer relationship and annually thereafter. The regulations also require Fulton Bank to provide its customers with initial and annual notices that accurately reflect its privacy policies and practices. In addition, to the extent its sharing of such information is not covered by an exception, Fulton Bank is required to provide its customers with the ability to "opt-out" of having Fulton Bank share a customer's nonpublic personal information with unaffiliated third parties.

Fulton Bank is also subject to regulatory guidelines establishing standards for safeguarding customer information. These regulations implement certain provisions of the GLBA. The guidelines describe the federal bank regulatory agencies' expectations for the creation, implementation and maintenance of an information security program, that includes administrative, technical and physical safeguards appropriate to the size and complexity of the institution and the nature and scope of its activities. The standards set forth in the guidelines are intended to ensure the security and confidentiality of customer records and information, protect against any anticipated threats or hazards to the security or integrity of such records and protect against unauthorized access to or use of such records or information that could result in substantial harm or inconvenience to any customer. These guidelines, along with related regulatory materials, increasingly focus on risk management and processes related to information security and the use of third parties in the provision of financial services.

Certain states have enacted laws establishing consumer privacy protections and data security requirements in their respective states. For example, the CCPA gives California residents rights to receive certain disclosures regarding the collection, use, and sharing of "personal information" as well as rights to access, delete, and restrict the sale of certain personal information. The CCPA, which was amended in November 2020 by a ballot initiative titled the California Privacy Rights Act, went into effect on January 1, 2020, and Fulton Bank is required to comply with the CCPA in serving the small number of its customers that are residents of California. Attempts by state and local governments to regulate consumer privacy have the potential to create a patchwork of differing and/or conflicting state regulations. In July 2023, the SEC adopted rules requiring registrants to disclose material cybersecurity incidents experienced and describe the material aspects of their nature, scope and timing. The rules, which supersede their previously interpreted guidance published in February 2018, also require annual disclosures describing a company's cybersecurity risk management, strategy and governance. These SEC rules, and any other regulatory guidance, are in addition to notification and disclosure requirements under state and federal banking law and regulations.

Federal Reserve System — Federal Reserve Board regulations require depository institutions to maintain cash reserves against specified deposit liabilities. The dollar amount of a depository institution's reserve requirement is determined by applying the reserve ratios specified in the Federal Reserve Board's Regulation D to an institution's reservable liabilities (primarily net transaction accounts such as negotiable order of withdrawal and demand deposit accounts). A reserve of 3% must be maintained against aggregate transaction account balances of between $16.9 million and $127.5 million (subject to adjustment by the Federal Reserve Board) plus a reserve of 10% (subject to adjustment by the Federal Reserve Board within a range of between 8% and 14%) against that portion of total transaction account balances in excess of $127.5 million. The first $16.9 million of otherwise reservable balances (subject to adjustment by the Federal Reserve Board) are exempt from the reserve requirements. Fulton Bank is in compliance with the foregoing requirements.

Required reserves must be maintained in the form of either vault cash, an account at a FRB or a pass-through account as defined by the Federal Reserve Board. Pursuant to the Emergency Economic Stabilization Act of 2008, the FRB pays interest on depository institutions' required and excess reserve balances. The interest rate paid on required reserve balances is currently the average target Federal Funds Rate over the reserve maintenance period. The rate on excess balances will be set equal to the lowest target Federal Funds Rate in effect during the reserve maintenance period.

On December 22, 2020, the Federal Reserve Board issued a final rule that amends Regulation D by lowering the reserve requirement ratios on transaction accounts maintained at depository institutions to 0%. It is currently unclear if the reduction of the reserve requirements on transaction accounts is permanent.

Acquisitions — The BHCA requires a bank holding company to obtain the prior approval of the Federal Reserve Board before:

- the company acquires direct or indirect ownership or control of any voting shares of any bank or savings and loan association, if after such acquisition the bank holding company will directly or indirectly own or control more than five percent of any class of voting securities of the institution;
- any of the company's subsidiaries, other than a bank, acquires all or substantially all of the assets of any bank or savings and loan association; or
- the company merges or consolidates with any other bank or financial holding company.

Prior regulatory approval is also generally required for mergers, acquisitions and consolidations involving other IDIs. In reviewing acquisition and merger applications, bank regulatory authorities will consider, among other things, the competitive effect of the transaction, financial and managerial issues, the capital position of the combined organization, convenience and needs factors, including the applicant's CRA record, the effectiveness of the subject organizations in combating money laundering activities, and the transaction's effect on the stability of the U.S. banking or financial system.

On September 17, 2024, the FDIC, the OCC and the DOJ, each announced new rules and policy statements impacting their bank merger review processes.

Among these actions, the FDIC approved a final statement of policy on bank merger transactions and the OCC approved a final rule updating the agency's regulations for business combinations involving national banks and federal savings associations. The OCC's final rule modifies its procedures for reviewing bank merger applications under the BMA applications, including the elimination of the expedited bank merger review and the streamlined application procedures. The OCC's final rule also includes a new policy statement that addresses the substantive standards that it will use to evaluate bank merger applications, including indicators that point in favor of likely approval or rejection. The FDIC's statement of policy adopts a principles-based approach and clarifies its policies and expectations in the evaluation of bank merger transactions subject to FDIC approval under the BMA. However, Acting FDIC Chairman Travis Hill has indicated the possibility of withdrawing the new statement of policy, and it is unclear whether the OCC under anticipated new leadership will reconsider its new regulation and policy statement.

Concurrent with the FDIC and OCC announcements, the DOJ withdrew from its 1995 Bank Merger Guidelines and announced that it would consider bank mergers under its 2023 Merger Guidelines, which are not industry specific, as well as under a separate, recently adopted bank merger addendum.

The Change in Bank Control Act prohibits a person, entity or group of persons or entities acting in concert, from acquiring "control" of a bank holding company or bank unless the Federal Reserve Board has been given prior notice and has not objected to the transaction. Under Federal Reserve Board regulations, the acquisition of 10% or more (but less than 25%) of the voting stock of a corporation would, under the circumstances set forth in the regulations, create a rebuttable presumption of acquisition of control of the corporation.

Effective September 30, 2020, the Federal Reserve finalized a rule that simplifies and increases the transparency of its rules for determining when one company controls another company for purposes of the BHCA and, on March 31, 2021, the Federal Reserve Board published interpretive guidance regarding the final rule and related regulatory control matters. The amended control rule has had, and will likely continue to have, a meaningful impact on control determinations related to investments in banks and bank holding companies and investments by bank holding companies in nonbank companies.

Permissible Activities — As a bank holding company, the Corporation may engage in the business of banking, managing or controlling banks, performing servicing activities for subsidiaries, and engaging in activities that the Federal Reserve Board has determined, by order or regulation, are so closely related to banking as to be a proper incident thereto. As a financial holding company, the Corporation may also engage in or acquire and retain the shares of a company engaged in activities that are financial in nature or incidental or complementary to activities that are financial in nature as long as the Corporation continues to meet the eligibility requirements for financial holding companies, including that the Corporation and each of its U.S. depository institution subsidiaries remain "well-capitalized" and "well-managed."

A depository institution is considered "well-capitalized" if it satisfies the requirements of the Prompt Corrective Action framework described above. A depository institution is considered "well-managed" if it received a composite rating and management rating of at least "satisfactory" in its most recent examination. If a financial holding company ceases to be well-capitalized and well-managed, the financial holding company must enter into a non-public confidential agreement with the Federal Reserve Board to comply with all applicable capital and management requirements. Until the financial holding company returns to compliance, the Federal Reserve Board may impose limitations or conditions on the conduct of its activities, and the company may not commence any new non-banking financial activities permissible for financial holding companies or acquire a company engaged in such financial activities without prior approval of the Federal Reserve Board. If the company does not timely return to compliance, the Federal Reserve Board may require divestiture of the financial holding company's banking subsidiaries. Bank holding companies and banks must also be well-capitalized and well-managed in order to acquire banks located outside their home state. A financial holding company will also be limited in its ability to commence non-banking financial activities or acquire a company engaged in such financial activities if any of its IDI subsidiaries fails to maintain a "satisfactory" rating under the CRA.

Activities that are "financial in nature" include securities underwriting, dealing and market making, advising mutual funds and investment companies, insurance underwriting and agency, merchant banking, and activities that the Federal Reserve Board, in consultation with the Secretary of the Treasury, determines to be financial in nature or incidental to such financial activity.

"Complementary activities" are activities that the Federal Reserve Board determines upon application to be complementary to a financial activity and that do not pose a safety and soundness issue.

Enforcement Powers of Federal Banking Regulators — The Federal Reserve Board and other U.S. banking agencies have broad enforcement powers with respect to an IDI and its holding company, including the power to (i) impose cease and desist orders, substantial fines and other civil penalties, (ii) terminate deposit insurance, and (iii) appoint a conservator or receiver. Failure to comply with applicable laws or regulations could subject the Corporation or Fulton Bank, as well as their officers and directors, to administrative sanctions and potentially substantial civil and criminal penalties.

In addition, under the BHCA, the Federal Reserve Board has the authority to require a bank holding company to terminate any activity or to relinquish control of a non-bank subsidiary upon the Federal Reserve Board's determination that such activity or control constitutes a serious risk to the financial soundness and stability of a depository institution subsidiary of the bank holding company.

Federal Securities Laws — The Corporation is subject to the periodic reporting, proxy solicitation, tender offer, insider trading, corporate governance and other requirements under the Exchange Act and the rules of the Nasdaq that apply to companies listed on the Nasdaq Global Select Market. Among other things, the federal securities laws require management to issue a report on the effectiveness of its internal controls over financial reporting. In addition, the Corporation's independent registered public accountants are required to issue an opinion on the effectiveness of its internal control over financial reporting. See "Item 8. Financial Statements and Supplementary Data - Report of Independent Registered Public Accounting Firm." Certifications of the Chief Executive Officer and the Chief Financial Officer as required by the Sarbanes-Oxley Act of 2002 and the resulting SEC rules can be found in the *Signatures* and *Exhibits* sections.

Item 1A. Risk Factors

An investment in our securities involves certain risks, including, among others, the risks described below. In addition to the other information contained in this Annual Report on Form 10-K, you should carefully consider the following risk factors. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of these risks actually occurs, our business, financial condition and results of operations could be materially, adversely affected.

GENERAL ECONOMIC AND MARKET CONDITIONS RISKS

Difficult conditions in the economy and the financial markets may materially adversely affect our business, financial condition and results of operations.

Our financial condition and results of operations are affected by conditions in the economy and the financial markets generally. Our financial performance is highly dependent upon the business environment in the markets where we operate and in the United States as a whole. Unfavorable or uncertain economic and market conditions can be caused by: declines in economic growth, business activity or investor or business confidence; limitations on the availability, or increases in the cost, of credit and capital; changes in the rate of inflation or in interest rates; high unemployment; labor shortages; governmental fiscal and monetary policies; the level of, or changes in, prices of raw materials, goods or commodities; supply chain issues; global economic conditions; immigration policies; trade policies and tariffs affecting other countries as well as retaliatory policies and tariffs by such countries; geopolitical events, including the war between Russia and Ukraine and the ongoing conflict in the Middle East; natural disasters; public health crises, such as epidemics and pandemics; acts of war or terrorism; or a combination of these or other factors.

Specifically, the business environment impacts the ability of borrowers to pay interest on and repay principal of outstanding loans and the value of collateral, if any, securing those loans, as well as demand for loans and other products and services we offer. There continues to be economic uncertainty, including the possibility of a recession resulting from elevated levels of inflation and a higher-for-longer interest rate environment, which could negatively impact the quality of our loan portfolio. As a result, we may have to increase our provision for credit losses, which would negatively impact our results of operations, and could result in charge-offs of a higher percentage of our loans. Unlike large, national institutions, we are not able to spread the risks of unfavorable local economic conditions across a large number of diversified economies and geographic locations. If the communities in which we operate do not grow, or if prevailing economic conditions locally or nationally are unfavorable, our business could be adversely affected. In addition, increased market competition in a lower demand environment could adversely affect our profit potential.

INTEREST RATE AND CREDIT RISKS

We are subject to interest rate risk.

We cannot predict or control changes in interest rates. We are affected by fiscal and monetary policies of the federal government, including those of the Federal Reserve Board, many of which affect interest rates charged on loans and paid on deposits.

In a series of actions to combat rising inflation that began in March 2022, the Federal Reserve Board raised the Fed Funds Rate to 5.25% to 5.50% in July 2023. Beginning in September 2024, as inflation moderated toward the Federal Reserve Board's policy objective, the Federal Reserve Board incrementally reduced the Fed Funds Rate to 4.25% to 4.50% as of February 1, 2025. The timing and magnitude of future Fed Funds Rate decreases are uncertain, and increases in Fed Funds Rates are possible.

Changes in monetary policy, including changes in interest rates, influence not only the interest we receive on loans and securities that we invest in and the interest we pay on deposits and borrowings, but such changes could affect our ability to originate loans and obtain deposits, the fair value of financial assets and liabilities, and the average duration of our assets. Net interest income is the difference between interest earned on interest-earning assets and interest paid on interest-bearing liabilities. Net interest income is the most significant component of our net income, accounting for approximately 78% of total revenues in 2024. Changes in market interest rates, in the shape of the yield curve or in spreads between different market interest rates can have a material effect on our net interest margin. The rates on some interest-earning assets, such as loans and investments, and interest-bearing liabilities, such as deposits and borrowings, adjust concurrently with, or within a brief period after, changes in market interest rates, while others adjust only periodically or not at all during their terms. Thus, changes in market interest rates might, for example, result in a decrease in the interest earned on interest-earning assets that is not accompanied by a corresponding decrease in the interest paid on interest-bearing liabilities, or the decrease in interest paid on interest-bearing liabilities might be at a slower pace, or in a smaller amount, than the decrease in interest earned on interest-earning assets, reducing our net interest income and/or net interest margin. In addition, we are dependent on lower-cost, core deposits as our primary source of funding and changes in interest rates could increase our cost of funding, reduce our net interest margin and/or create liquidity challenges.

We have policies and procedures designed to manage the risks associated with changes in interest rates and actively manage these risks through hedging and other risk mitigation strategies. However, if our assumptions are wrong or overall economic conditions are significantly different than anticipated, our hedging and other risk mitigation strategies may be ineffective and may adversely impact our business, financial condition and results of operations.

An increase in interest rates could also have a negative impact on our results of operations by reducing the ability of borrowers to repay current loan obligations. These circumstances could not only result in increased loan defaults, foreclosures and charge-offs, but also reduce collateral values and necessitate further increases in the ACL.

Changes in interest rates may also affect the average life of loans and certain investment securities, including mortgage-backed securities. Increases in interest rates may extend the average life of fixed rate assets potentially restricting our ability to reinvest in higher yielding alternatives, reduce demand for loans and may result in customers withdrawing their certificates of deposit early. Conversely, decreases in interest rates can result in increased prepayments of loans and certain investment securities, as borrowers or issuers refinance to reduce their borrowing costs. Under those circumstances, we would be subject to reinvestment risk to the extent that we are not able to reinvest the money received from such prepayments at rates that are comparable to the rates on the loans and investment securities that are prepaid.

Changes in interest rates also affect the fair value of interest-earning investment securities. Generally, the value of interest-earning investment securities moves inversely with changes in interest rates. Changes in interest rates can affect the fair value of AFS investment securities, with any unrealized gain or loss reflected as a component of AOCI. As a result of elevated interest rates in recent years, the fair value of our AFS investment securities declined resulting in unrealized losses of approximately $276 million as of December 31, 2024 and is reflected in AOCI as a reduction to total shareholders' equity. Further increases in interest rates could result in additional unrealized losses on AFS investment securities we hold. Any sale of investment securities with a fair value below amortized cost will result in actual losses, which will adversely affect our results of operations.

We cannot predict the nature or timing of any future changes in fiscal and monetary policies or of changes in interest rates; however, policy or interest rate changes could have a material adverse effect on our business, financial condition and results of operations.

Changes in interest rates can affect demand for our products and services.

Movements in interest rates can cause demand for some of our products and services to be cyclical. For example, demand for residential mortgage loans historically has increased during periods when interest rates were declining and historically has decreased during periods when interest rates were rising. As a result, we may need to periodically increase or decrease the size of certain of our product and service offerings, including our personnel, to match increases and decreases in demand and volume. The need to change the scale of our product and service offerings is challenging, and there is often a lag between changes in the interest rate environment and our ability to react to these changes.

Price fluctuations in securities markets, as well as other market events, such as a disruption in credit and other markets and the abnormal functioning of markets for securities, could have an impact on our results of operations.

The market value of our securities investments, which include mortgage-backed securities, state and municipal securities and corporate debt securities, are particularly sensitive to price fluctuations and market events. Declines in the values of our securities holdings, combined with adverse changes in the expected cash flows from these investments, could result in impairment.

Our investment management and trust services revenue, which is partially based on the value of the underlying investment portfolios, can also be impacted by fluctuations in the securities markets. If the values of those investment portfolios decrease, whether due to factors influencing U.S. or international securities markets, in general, or otherwise, our non-interest income could be negatively impacted. In addition, our ability to sell our securities brokerage services is dependent, in part, upon consumers' level of confidence in securities markets. Securities market volatility or other market disruptions may adversely affect our ability to sell our securities brokerage services, which could negatively affect our fee-based non-interest income, and as a result, our results of operations.

Our loan portfolio composition subjects us to credit risk.

At December 31, 2024, approximately 65% of our loan portfolio consisted of commercial loans, commercial mortgage loans, and residential and commercial construction loans. Commercial loans, commercial mortgage loans and construction loans generally involve a greater degree of credit risk than residential mortgage loans and consumer loans because these loans are likely to be more sensitive to broader economic factors and conditions. Because payments on these loans often depend on the successful operation and management of borrowers' businesses and properties, repayment of such loans may be affected by factors outside of the borrower's control, including adverse conditions in the real estate markets, adverse economic conditions or changes in governmental regulation. In addition, commercial loans typically have relatively large balances and the deterioration of one or a few of these loans could cause a significant increase in the percentage of non-performing loans. An increase in non-performing loans could result in a loss of earnings from these loans, an increase in the provision for loan losses and an increase in charge-offs, all of which could have a material adverse effect on our business, financial condition and results of operations.

A significant proportion of our loan portfolio consists of commercial mortgage loans that may pose increased credit risk.

At December 31, 2024, commercial mortgage loans represented approximately 40% of our loan portfolio. These loans are secured by both owner-occupied and non-owner-occupied commercial real estate. The market for commercial real estate is cyclical and a significant change in the real estate market that results in deterioration in the value of collateral or rental or occupancy rates could adversely affect borrowers’ ability to repay loans. For example, the increased prevalence of remote and hybrid working arrangements as a result of COVID-19 has impacted the demand for commercial office space putting pressure on office rental and occupancy rates. In addition, the current elevated level of interest rates may make it more difficult for commercial real estate borrowers to refinance or repay maturing loans and may adversely affect the market value of the underlying real estate. Changes in the real estate market could also affect the value of foreclosed assets. Negative developments in the commercial real estate market could result in an increase in non-performing loans, the need for us to increase the provision for loan losses and an increase in charge-offs, all of which could have a material adverse effect on our business, financial condition and results of operations.

LIQUIDITY AND CAPITAL RISKS

Changes in interest rates or disruption in liquidity markets may adversely affect our sources of funding.

We must maintain sufficient sources of liquidity to meet the demands of our depositors and borrowers, support our operations and meet regulatory requirements. Our liquidity management policies and practices emphasize core deposits and repayments and maturities of loans and investments as our primary sources of liquidity. These primary sources of liquidity can be supplemented by FHLB advances, borrowings from the FRB, proceeds from the sales of loans and investment securities and capital raising activities. Secondary sources of liquidity may be more costly to us than funding provided by lower-cost, core deposit account balances having similar maturities. In addition, adverse changes in our financial condition or results of operations, downgrades in our credit ratings, regulatory actions involving us, or changes in regulatory, industry or market conditions could lead to an increase in the cost of these secondary sources of liquidity, the inability to refinance or replace these secondary funding sources as they mature, or the withdrawal of unused borrowing capacity under these secondary funding sources.

We are dependent on customer deposits as our primary source of funding. A substantial majority of our deposits are in non-maturing accounts that customers can withdraw on demand or upon several days' notice. Factors, including competition with bank and non-bank competitors, changes in interest rates, the availability of alternative investment options, customer confidence in the industry and the liquidity needs of deposit customers, can cause fluctuations in both the level and cost of customer deposits. Further, deposits from state and municipal entities, primarily in non-maturing, interest-bearing accounts, are a significant source of deposit funding for us, representing approximately 13% of total deposits at December 31, 2024. State and municipal customers frequently maintain large deposit account balances substantially in excess of the FDIC insurance limit, and these depositors may be more sensitive than other depositors to changes in interest rates. Changes in any of these factors could increase our funding costs, reduce our net interest margin and/or create liquidity challenges.

Additionally, negative news about us or the banking industry in general could negatively impact market and/or customer perceptions of us, which could lead to a loss of depositor confidence and an increase in deposit withdrawals, particularly among those with uninsured deposits. As we and other regional banking organizations experienced in 2023, the failure of other financial institutions may cause deposit outflows as customers spread deposits among several different banks so as to maximize their amount of FDIC insurance, move deposits to banks deemed "too big to fail" or remove deposits from the banking system entirely. At December 31, 2024, approximately 37% of our deposits were uninsured and we are dependent on these deposits for liquidity.

If we are not able to continue to depend primarily on customer deposits to meet our liquidity and funding needs, access secondary, non-deposit funding sources on favorable terms or otherwise fail to manage our liquidity effectively, our ability to continue to grow may be constrained, and our liquidity, operating margins, business, financial condition and results of operations may be materially adversely affected.

We may need to raise additional capital in the future and such capital may not be available when needed or at all.

We are required by regulatory agencies to maintain adequate levels of capital. We may need to raise additional capital in the future to meet regulatory or other internal requirements. As a publicly traded company, a likely source of additional funds is the capital markets, accomplished generally through the issuance of equity, both common and preferred stock, and the issuance of debt. Our ability to raise additional capital, if needed, will depend on, among other things, conditions in the capital markets at that time, which are outside of our control, and our financial performance.

We cannot provide any assurance that access to such capital will be available to us on acceptable terms or at all. Any occurrence that may limit our access to the capital markets, such as a decline in the confidence of debt purchasers or counterparties participating in the capital markets, may materially and adversely affect our capital costs and our ability to raise capital and, in turn, our liquidity. If we need to raise capital in the future, we may have to do so when many other financial institutions are also seeking to raise capital and would then have to compete with those institutions for investors. The inability to raise additional capital on acceptable terms when needed could have a materially adverse effect on our business, financial condition or results of operations.

We are subject to capital adequacy standards, and a failure to meet these standards could adversely affect our financial condition.

The Corporation and Fulton Bank are each subject to capital adequacy and liquidity rules and other regulatory requirements specifying the minimum amounts and types of capital that must be maintained. From time to time, the regulators implement changes to these regulatory capital adequacy and liquidity guidelines. If we fail to meet these minimum capital and liquidity guidelines and other regulatory requirements, we may be restricted in the types of activities we may conduct and may be prohibited from taking certain capital actions, such as making payments on certain capital instruments, paying executive bonuses or dividends, and repurchasing or redeeming capital securities.

RISKS RELATED TO RISK MANAGEMENT

We are exposed to many types of operational and other risks, and our framework for managing risks may not be effective in mitigating risk.

We are exposed to many types of operational risks, including the risk of human error or fraud by employees and other third parties, intentional and inadvertent misrepresentation by loan applicants, borrowers or guarantors, unsatisfactory performance by employees and vendors, clerical and record-keeping errors, operational errors, computer and telecommunications systems malfunctions or failures and reliance on data that may be faulty or incomplete. In an environment characterized by continual, rapid technological change, when we introduce new products and services, or make changes to our information technology systems and processes as we do from time to time, our operational risks are increased. Any of these operational risks could result in the diminished ability to operate one or more of our businesses, financial loss, potential liability to customers, inability to secure insurance, reputational damage and/or regulatory intervention, any or all of which could materially adversely affect us.

Because the nature of the financial services business involves a high volume of transactions, certain errors may be repeated or compounded before they are discovered and successfully rectified. Our large transaction volume and necessary dependence upon automated systems to record and process these transactions results in the risk that technical flaws, tampering, or manipulation of those automated systems, arising from events wholly or partially beyond our control, and may give rise to disruption of service to customers and to financial loss or liability. We are also exposed to the risk that our business continuity and data security systems prove to be inadequate.

Furthermore, our risk management framework is subject to inherent limitations, and risks may exist, or develop in the future, that we have not identified or anticipated. Management regularly reviews and updates our internal controls, disclosure controls and procedures, and corporate governance policies and procedures. Any system of controls, however well designed and operated, is based in part on certain assumptions and can provide reasonable, but not absolute, assurances that the objectives of the controls are met. Any failure or circumvention of our controls and procedures or failure to comply with regulations related to controls and procedures could have a material adverse effect on our business, financial condition or results of operations. See "Item 9A. Controls and Procedures."

Loss of, or failure to adequately safeguard, confidential or proprietary information may adversely affect our operations, net income or reputation.

Our business is highly dependent on information systems and technology and the ability to collect, process, transmit and store significant amounts of confidential information on a daily basis. While we perform some of the functions required to operate our business directly, we also rely on third parties for significant business functions, such as processing customer transactions, providing cloud-based infrastructure, software and data storage services, maintaining customer-facing websites, including our online and mobile banking functions, and developing software for new products and services. These relationships require us to allow third parties to access, store, process and transmit customer information. As a result, we may be subject to cybersecurity risks directly, as well as indirectly, through the vendors to whom we outsource business functions and the downstream service providers of those vendors. Cyber threats could result in unauthorized access, loss or destruction of confidential information or customer data; unavailability, degradation or denial of service; introduction of computer viruses or ransomware; and other adverse events causing us to incur additional costs repairing systems, restoring data or adding new personnel or protection technologies. Cyber threats may also subject us to regulatory investigations, litigation or enforcement actions, require the payment of fines, penalties or damages, or undertaking costly remediation efforts with respect to third parties affected by a cybersecurity incident, all or any of which could adversely affect our business, financial condition or results of operations and/or damage our reputation.

Critical infrastructure sectors, including the financial services sector, increasingly have been the targets of cyberattacks. Cyberattacks involving large financial institutions, including denial of service attacks, nation-state cyberattacks, ransomware attacks designed to deny access to key internal resources or systems, and targeted social engineering and email and text message attacks designed to allow unauthorized persons to obtain access to an institution's information systems and data or that of its customers, are becoming more common and increasingly sophisticated. Further, threat actors are increasingly seeking to target vulnerabilities in software systems (and third-party vendors providing those systems) used by large numbers of banking organizations in order to conduct malicious cyber activities.

Like other financial institutions, we experience malicious cyber activity on an ongoing basis directed at our websites, computer systems, software, networks and our users. This malicious activity includes attempts at unauthorized access, implantation of computer viruses or malware, and denial of service attacks. We also experience large volumes of phishing and other forms of social engineering attempted for the purpose of perpetuating fraud against us, our employees or our customers. While, to date, malicious cyber activity, cyberattacks and other information security breaches have not had a material adverse impact on us, risk to our systems remains significant.

Cybersecurity risks for financial institutions also have evolved as a result of the use of cloud computing and new technologies, devices and delivery channels to transmit and store data and conduct financial transactions. The adoption of new products, services and delivery channels contribute to a more complex operating environment, which impacts operational risk and presents the potential for additional structural vulnerabilities.

There can be no assurance that the measures we employ to detect and combat direct or indirect cyber threats will be effective. In addition, because the methods of cyberattacks change frequently or, in some cases, are not recognized until launched, we may be unable to implement effective preventive control measures to proactively address these methods. There can be no assurance that any future third-party vendor data breach would not be material, and if we or a third-party vendor were to experience a cyberattack or information security breach, we could suffer damage to our reputation, productivity losses, response costs associated with investigation and resumption of services, and incur substantial additional expenses, including remediation expenses costs associated with client notification and credit monitoring services, increased insurance premiums, regulatory penalties and fines, and costs associated with civil litigation, any of which could have a materially adverse effect on our business, financial condition, results of operations and reputation. Although we maintain insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber risks, our insurance coverage may be inapplicable or otherwise insufficient to cover any or all losses.

Additionally, account data compromise, malware and ransomware events affecting a broad spectrum of commercial businesses and governmental entities in recent years have resulted in heightened legislative and regulatory focus on privacy, data protection and information security. Changes in laws and regulations may significantly impact our current and planned privacy, data protection and information security-related practices, the collection, use, sharing, retention and safeguarding of consumer and employee information, and current or planned business activities. Compliance with current or future privacy, data protection and information security laws could result in higher compliance and technology costs and could restrict our ability to provide certain products and services that could materially and adversely affect our profitability.

We are subject to a variety of risks in connection with the origination and sale of loans.

We originate residential mortgage loans and other loans, such as loans guaranteed, in part, by the SBA, all or portions of which are later sold in the secondary market to government sponsored enterprises or agencies, such as the Federal National Mortgage Association (Fannie Mae) and other non-government sponsored investors. In connection with such sales, we make certain representations and warranties with respect to matters such as the underwriting, origination, documentation or other characteristics of the loans sold. We may be required to repurchase a loan, or to reimburse the purchaser of a loan for any related losses, if it is determined that the loan sold was in violation of representations or warranties made at the time of the sale, and, in some cases, if there is evidence of borrower fraud, in the event of early payment default by the borrower on the loan, or for other reasons. We maintain reserves for potential losses on certain loans sold, however, it is possible that losses incurred in connection with loan repurchases and reimbursement payments may be in excess of any applicable reserves, and we may be required to increase reserves and may sustain additional losses associated with such loan repurchases and reimbursement payments in the future, all of which could have a material adverse effect on our business, financial condition and results of operations.

The sale of residential mortgage loans and other loans in the secondary market serves as a source of non-interest income and liquidity for us and can reduce our exposure to interest rate risk. Efforts to reform government sponsored enterprises and agencies, changes in the types of, or standards for, loans purchased by government sponsored enterprises or agencies and other investors, or our failure to maintain our status as an eligible seller of such loans may limit our ability to sell these loans. Our inability to continue to sell these loans could reduce our non-interest income, limit our ability to originate and fund these loans in the future, and make managing interest rate risk more challenging, any of which could have a material adverse effect on our business, financial condition and results of operations.

Our operational risks include risks associated with third-party vendors and other financial institutions.

We rely upon certain third-party vendors to provide products and services necessary to maintain our day-to-day operations, including, notably, responsibility for the core processing system that services Fulton Bank. Accordingly, our operations are exposed to the risk that these vendors might not perform in accordance with applicable contractual arrangements or service level agreements. The failure of an external vendor to perform in accordance with applicable contractual arrangements or service level agreements could be disruptive to our operations and could have a material adverse effect on our business, financial condition or results of operations and/or damage our reputation. Further, third-party vendor risk management continues to be a point of regulatory emphasis. A failure to follow applicable regulatory guidance in this area could expose us to regulatory sanctions.

The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, execution of transactions or other relationships between the institutions. As a result, concerns about, or a default or threatened default by, one institution could lead to significant market-wide liquidity and credit problems, losses or defaults by other institutions. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with which we interact on a daily basis, and, therefore, could have a material adverse effect on our business, financial condition or results of operations.

Any of these operational or other risks could result in our diminished ability to operate one or more of our businesses, financial loss, potential liability to customers, inability to secure insurance, reputational damage and regulatory intervention and could materially adversely affect our business, financial condition and results of operations.

Climate change may materially adversely affect our business and results of operations.

We operate in areas where our business and the activities of our customers could be impacted by the effects of climate change, including increased frequency or severity of storms, hurricanes, floods, droughts, and rising sea levels. These effects can disrupt business operations, damage property, devalue assets and change consumer and business preferences, which may adversely affect borrowers, increase credit risk and reduce demand for our products and services. At this time, we have not experienced material losses from climate change; however, we are aware that its impact may increase in the future. Climate change, its effects and the resulting, unknown impacts could have a material adverse effect on our business, financial condition and results of operations.

We are also susceptible to policy and regulatory changes with respect to banks' climate risk management practices. For instance, the leadership of the federal banking agencies, including the OCC, have emphasized that climate-related risks are faced by banking organizations of all types and sizes. If new regulations or supervisory guidance applicable to us came into effect, our compliance costs and other compliance-related risks would be expected to increase and affect our financial position and results of operations.

RISKS FROM ACCOUNTING AND OTHER ESTIMATES

Our consolidated financial statements are based in part on assumptions and estimates which, if incorrect, could cause unexpected losses in the future.

We have made a number of estimates and assumptions relating to the reporting of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period to prepare these consolidated financial statements in conformity with GAAP. Actual results could differ from these estimates. Material estimates subject to change in the near term include, among other items: the allowance for credit losses; the carrying value of goodwill or other intangible assets; the fair value estimates of certain assets and liabilities; and the realization of deferred tax assets and liabilities. These estimates may be adjusted as more current information becomes available and any adjustment may be significant.

There are risks resulting from the extensive use of models in our business.

We rely on quantitative models to measure risks and to estimate certain financial values. We use models in such processes as determining the pricing of various products, measuring interest rate and other market risks, predicting or estimating losses and assessing capital adequacy, as well as to estimate the value of financial instruments and balance sheet items. Our reliance on models continues to increase as rules, guidance, and expectations change. The most recent example of this is the additional models used in the determination of our ACL under CECL. Poorly designed or implemented models present the risk that our business decisions based on information incorporating model output could be adversely affected due to the inaccuracy of that information. Models are often based on historical experience to predict future outcomes, and, as a result, new experiences or events which are not part of historical experience can significantly increase model imprecision and impact model reliability. Model inputs can also include information provided by third parties, such as economic forecasts or macroeconomic variables (unemployment rates, real GDP, etc.) upon which we rely. Some of the decisions that our regulators make, including those related to capital actions, could be affected due to the perception that the quality of the models used to generate the relevant information is insufficient, which could have a negative impact on our ability to take certain actions, including making dividend payments or engaging in share repurchases.

LEGAL AND REGULATORY COMPLIANCE RISKS

We are subject to extensive regulation and supervision and may be adversely affected by changes in, or any failure to comply with laws and regulations.

Virtually every aspect of our operations is subject to extensive regulation and supervision by federal and state regulatory agencies, including the Federal Reserve Board, OCC, FDIC, CFPB, DOJ, UST, SEC, HUD, DOL, EEOC, state attorneys general and state banking, financial services, securities and insurance regulators. Under this framework, regulatory agencies have broad authority to carry out their supervisory, examination and enforcement responsibilities to address compliance with applicable laws and regulations, including laws and regulations relating to capital adequacy, asset quality, earnings, liquidity, risk management and financial accounting and reporting as well as laws and regulations governing consumer protection, fair lending, privacy, information security and cybersecurity risk management, third-party vendor risk management, AML and sanctions and anti-terrorism laws. Failure to comply with these regulatory requirements, including inadvertent or unintentional violations, may result in the assessment of fines and penalties, the commencement of informal or formal regulatory enforcement actions against us, or regulatory restrictions on our activities. Failure to comply may also affect our ability to grow through acquisitions, discourage institutional investment managers to invest in our securities, result in reputational damage, or increase our costs of doing business.

The U.S. Congress, state legislatures and federal and state regulatory agencies periodically review banking and other laws, regulations and policies for possible changes. Changes in applicable federal or state laws, regulations or governmental policies, including as a result of changes in U.S. presidential administrations that have different regulatory agendas, may affect us and our business. The effects of such changes are difficult to predict and may produce unintended consequences, like limiting the types of financial services and products we may offer, limiting the fees we may charge, altering demand for existing products and services, increasing the ability of non-banks to offer competing financial services and products, increasing compliance burdens, or otherwise adversely affecting our business, financial condition or results of operations.

The CFPB, established pursuant to the Dodd-Frank Act, has imposed enforcement actions against a variety of bank and non-bank market participants with respect to a number of consumer financial products and services. These enforcement actions have resulted in those participants expending significant time, money and resources to adjust to the initiatives being pursued by the CFPB. These enforcement actions may also serve as precedent for how the CFPB interprets and enforces consumer protection laws, including practices or acts that are deemed to be unfair, deceptive or abusive, with respect to supervised institutions and may result in the imposition of higher standards of compliance with such laws. Other federal financial regulatory agencies, including the OCC, as well as state attorneys general and state banking agencies and other state financial regulators have also been active in this area with respect to institutions over which they have jurisdiction.

Compliance with banking and financial services statutes and regulations also impacts our ability to engage in new activities or to expand existing activities. Federal and state banking agencies possess broad powers to take supervisory actions, as they deem appropriate. These supervisory actions may result in higher capital requirements, higher deposit insurance premiums and limitations on our operations and expansion activities that could have a material adverse effect on our business and profitability. We have dedicated significant time, effort, and expense over time to comply with regulatory and supervisory standards and requirements imposed by our regulators, and we expect that we will continue to do so. If we fail to develop the systems and processes necessary to comply with the standards and requirements imposed by these rules at a reasonable cost, it could have a material adverse effect on our business, financial condition or results of operations.

From time to time we may be the subject of litigation and governmental or administrative proceedings. Adverse outcomes of any such litigation or proceedings may have a material adverse impact on our business, financial condition and results of operations as well as our reputation.

Many aspects of our business involve a substantial risk of legal liability. From time to time, we have been named or threatened to be named as a defendant in various lawsuits arising from our business activities and, in some cases, from the activities of companies that we or our subsidiaries acquired. In addition, we are periodically the subject of governmental investigations and other forms of regulatory or governmental inquiry. These lawsuits, investigations, inquiries and other matters could lead to administrative, civil or criminal proceedings, result in adverse judgments, settlements, fines, penalties, restitution, injunctions or other types of sanctions, the need for us to undertake remedial actions, or otherwise alter our business, financial or accounting practices. Substantial legal liability or significant regulatory actions against us could materially adversely affect our business, financial condition and results of operations and cause significant reputational harm.

Changes in U.S. federal, state or local tax laws may negatively impact our financial performance.

We are subject to changes in tax laws that could increase our effective tax rate. These law changes may be retroactive to previous periods and, as a result, could negatively affect our current and future financial performance. The Tax Act reduced our federal corporate income tax rate to 21% beginning in 2018. The Tax Act also imposed limitations on our ability to take certain deductions, such as the deduction for FDIC deposit insurance premiums, which partially offset the increase in net income from the lower tax rate. The Inflation Reduction Act of 2022 imposes a 1% excise tax on the value of our shares we repurchase that exceeds $1 million in the aggregate during any taxable year, subject to certain adjustments.

In addition, a number of the changes to the Tax Code are set to expire at the end of 2025. There is substantial uncertainty concerning whether those expiring provisions will be extended and whether future legislation will further revise the Tax Code. Changes to the Tax Code may affect our business, financial condition and results of operations.

Regulations relating to privacy, information security, and data protection could increase our costs, affect or limit how we collect and use personal information, and adversely affect our business opportunities.

We are subject to various federal and state privacy, information security, and data protection laws, such as the GLBA, that among other things require privacy disclosures and maintenance of a robust security program that are increasingly subject to change which could have a significant impact on our current and planned privacy, data protection, and information security-related practices; our collection, use, sharing, retention, and safeguarding of consumer or employee information; disclosures and notifications during a cyber or information security incident; and some of our current or planned business activities. Our regulators also hold us responsible for privacy and data protection obligations performed by our third-party service providers while providing services to us, as well as disclosures and notifications during a cyber or information security incident.

New or changes to existing laws increase our costs of compliance and business operations and could reduce income from certain business initiatives, including increased privacy-related enforcement activity and higher compliance and technology costs, and could restrict our ability to provide certain products and services. Our failure to comply with privacy, data protection, and information security laws could result in potentially significant regulatory or governmental investigations or actions, litigation, fines, sanctions, and damage to our reputation, which could have a material adverse effect on our business, financial condition or results of operations.

RISKS RELATED TO STRATEGIC GROWTH

We face a variety of risks in connection with completed and potential acquisitions.

We may from time to time seek to supplement organic growth through acquisitions of banks, branches or other financial businesses or assets. Potential acquisitions are typically subject to regulatory or other approvals, and there can be no assurance that we would be able to obtain any such approvals in a timely manner, without restrictive conditions or at all. Even if required approvals are obtained, acquisitions involve numerous risks, including lower than expected performance, higher than expected costs, difficulties related to integration, diversion of management's attention from other business activities, the potential loss of key employees, changes in relationships with customers, disruption of the operations of the acquired business and our business, exposure to potential asset quality issues and unknown or contingent liabilities of the acquired business and changes in banking or tax laws or regulations that may affect the acquired business.

The success of any future acquisitions we may consummate will depend on, among other things, our ability to realize the expected revenue increases, cost savings, strategic gains, increases in geographic or product presence, and/or other anticipated benefits. If we are not able to successfully achieve these objectives, the anticipated benefits of the subject acquisition may not be realized fully or at all or may take longer to realize than expected and the subject acquisition could have a material adverse effect on our business, financial condition and results of operations.

On September 17, 2024, the FDIC, the OCC and the DOJ, each announced new rules and policy statements impacting their bank merger review processes.

Among these actions, the FDIC approved a final statement of policy on bank merger transactions and the OCC approved a final rule updating the agency's regulations for business combinations involving national banks and federal savings associations. The OCC's final rule modifies its procedures for reviewing bank merger applications under the BMA applications, including the elimination of the expedited bank merger review and the streamlined application procedures. The OCC’s final rule also includes as an appendix a policy statement which includes a list of characteristics of a merger transaction that the OCC would consider to be consistent or inconsistent with approval. The FDIC and the OCC take a similar risk-based approach to bank merger transactions, although there are some differences in how the FDIC and the OCC would consider each statutory factor under the BMA. Each agency applies varying levels of enhanced scrutiny to transactions involving or resulting in institutions with $50 billion or more in total assets. However, Acting FDIC Chairman Travis Hill has indicated the possibility of withdrawing the FDIC's statement of policy, and it is unclear whether the OCC will reconsider its new regulation and policy statement.

In addition, the DOJ withdrew from its 1995 Bank Merger Guidelines and announced that it would consider bank mergers under its 2023 Merger Guidelines, which includes a brief bank merger addendum.

The coordinated agency actions have, for the moment, significantly modified the existing regulatory framework for bank merger transactions such that future proposed bank merger transactions, including those involving us, may be subject to heightened regulatory scrutiny. The extent to which the new U.S. presidential administration will affirmatively encourage each of the agencies to return to a less restrictive approach to bank merger reviews, including possible rescission of modification the recent pronouncements described above, is uncertain at this time. Any enhanced regulatory scrutiny of bank mergers and acquisitions and revision of the framework for bank merger application review may adversely affect the marketplace for such transactions, could result in our acquisitions in future periods being delayed, impeded or restricted in certain respects and result in new rules that possibly limit the size of financial institutions we may be able to acquire in the future and alter the terms for such transactions.

Acquisitions may dilute shareholder value.

Future mergers or acquisitions, if any, may involve cash, debt or equity securities as transaction consideration. Acquisitions typically involve the payment of a premium over book and market values, and, therefore, some dilution of our stock's tangible book value and net income per common share may occur in connection with any future transaction. We cannot say with any certainty that we will be able to consummate, or if consummated, successfully integrate any future acquisitions, or that we will not incur disruptions or unexpected expenses in integrating such acquisitions. Furthermore, failure to realize the expected revenue increases, cost savings, strategic gains, increases in geographic or product presence, and/or other anticipated benefits from pending or future acquisitions could have a material adverse effect on our business, financial condition and results of operations.

If the goodwill that we have recorded or will record in the future in connection with our acquisitions becomes impaired, it could have a negative impact on our results of operations.

We have supplemented our internal growth with strategic acquisitions of banks, branches and other financial services companies. In the future, we may seek to supplement organic growth through additional acquisitions. If the purchase price of an acquired company exceeds the fair value of the company's net assets, the excess is carried on the acquirer's balance sheet as goodwill. As of December 31, 2024, we had $553 million of goodwill recorded on our balance sheet. We are required to evaluate goodwill for impairment at least annually. Write-downs of the amount of any impairment, if necessary, are to be charged to earnings in the period in which the impairment occurs. There can be no assurance that future evaluations of goodwill will not result in impairment charges.

We may not be able to achieve our growth plans.

Our business plan includes the pursuit of profitable growth. To achieve profitable growth, we may pursue new lines of business or offer new products or services, all of which can involve significant costs, uncertainties and risks. Any new activity we pursue may require a significant investment of time and resources and may not generate the anticipated return on that investment. In addition, we may not be able to effectively implement and manage any new activities. External factors, such as the need to comply with additional regulations, the availability, or introduction, of competitive alternatives in the market, and changes in customer preferences may also impact the successful implementation of any new activity. Any new activity could have a significant impact on the effectiveness of our system of internal controls. Sustainable growth requires that we manage risks by balancing loan and deposit growth at acceptable levels of risk, maintaining adequate liquidity and capital, hiring and retaining qualified employees, and successfully managing the costs and implementation risks with respect to strategic projects and initiatives. If we are not able to adequately identify and manage the risks associated with new activities, our business, financial condition and results of operations could be materially and adversely impacted.

RISKS RELATED TO COMPETITION

Our ability to attract and retain qualified employees is critical to our success.

Our employees are our most important resource. Competition for qualified personnel is intense in many areas of the financial services industry. We endeavor to attract talented new employees and retain and motivate our existing employees to assist in executing our growth, acquisition and business strategies. We also seek to retain proven, experienced senior employees augmented from time to time by external hires, to provide continuity of succession of our executive management team. Losses of or changes in our current executive officers or other key personnel, or the inability to recruit and retain qualified personnel in the future, could materially and adversely affect our financial condition and results of operations.

We face strong competition from financial services companies and other companies that offer banking services, which could materially and adversely affect our business.

The financial services industry has become even more competitive as a result of legislative, regulatory, and technological changes and continued banking consolidation, which may increase in connection with current economic, market, and political conditions. We face substantial competition in all phases of our operations from a variety of competitors, including national banks, regional banks, community banks and FinTechs. Many of our competitors offer the same banking services that we offer and our success depends on our ability to adapt our products and services to evolving industry standards and customer preferences. In addition to product and service offerings, we compete based on a number of other factors, including financial and other terms, underwriting standards, technological capabilities, brand, and reputation. Increased competition in our market may result in reduced new loan production and/or decreased deposit balances or less favorable terms on loans and leases and/or deposit accounts. We also face competition from many other types of financial institutions, including without limitation, non-bank specialty lenders, insurance companies, private investment funds, investment banks and other financial intermediaries, and some of these competitors may not be subject to the same regulatory requirements that we are. Many of our competitors have significantly greater resources, established customer bases, more locations, and longer operating histories. Should competition in the financial services industry intensify, our ability to market our products and services may be adversely affected. If we are unable to attract and retain banking customers, we may be unable to grow or maintain the levels of our loans and deposits, and our financial condition and results of operations may be adversely affected as a result. Ultimately, we may not be able to compete successfully against current and future competitors.

Failure to keep pace with technological change could adversely affect our business.

The financial services industry experiences continuous technological change with frequent introductions of new technology-driven products and services. The effective use of technology increases efficiency and enables financial institutions to better serve customers and to reduce costs. Our future success depends, in part, upon our ability to address the needs of our customers by using technology to provide products and services that will satisfy customer demands, as well as to create additional efficiencies in our operations. The costs of implementing new technology, including personnel, can be high, in both absolute and relative terms, and we may not achieve intended benefits of new technology initiatives. Moreover, the implementation of new technology can expose us to new or increased operational risks. For example, our implementation of certain new technologies, such as those related to artificial intelligence, machine learning and automated decision making, in our business processes may have unintended consequences due to their limitations or our failure to use them effectively. Many of our competitors have substantially greater resources to invest in technological improvements or are technology focused start-ups with internally developed cloud-native systems that offer improved user interfaces and experiences. In addition, new payment, credit and investment and wealth management services developed and offered by non-bank or non-traditional competitors pose an increasing threat to the products and services traditionally provided by financial institutions like us. We may not be able to effectively implement new technology-driven products and services or be successful in marketing these products and services to our customers, or effectively deploy new technologies to improve efficiency. In addition, we depend on internal and outsourced technology to support all aspects of our business operations. Interruption or failure of these systems creates a risk of business loss as a result of adverse customer experiences and possible diminishing of our reputation, damage claims or civil fines. Failure to successfully keep pace with technological change affecting the financial services industry or to successfully implement core processing strategies could have a material adverse impact on our business and, in turn, our financial condition and results of operations.

RISKS RELATED TO AN INVESTMENT IN OUR SECURITIES

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

We are a bank holding company, a separate and distinct legal entity from our bank and non-bank subsidiaries, and we depend on the payment of dividends and other payments and distributions from our subsidiaries, principally Fulton Bank, for substantially all of our revenues. As a result, our ability to make dividend payments on our common and preferred stock depends primarily on compliance with applicable federal regulatory requirements 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, that impact the ability of Fulton Bank to pay dividends or make other payments to us. There can be no assurance that Fulton Bank will be able to pay dividends at past levels, or at all, in the future. If we do not receive sufficient cash dividends or are unable to borrow from Fulton Bank, then we may not have sufficient funds to pay dividends to our shareholders, repurchase our common stock or service our debt obligations.

We may reduce or discontinue the payment of dividends on, or repurchases of, our common stock.

We have pursued a strategy of capital management under which we have sought to deploy capital through stock repurchases and dividends on our common stock, in a manner that is beneficial to our shareholders. Our shareholders are only entitled to receive such dividends as our Board of Directors may declare out of funds legally available for such payments. We are not required to pay dividends on, or effect repurchases of, our common stock and may reduce or eliminate our common stock dividend and/or share repurchases in the future. Our ability to pay dividends to our stockholders is subject to the restrictions set forth in Pennsylvania law, by the Federal Reserve, and by certain covenants contained in our subordinated debentures. Notification to the Federal Reserve is also required prior to our declaring and paying a cash dividend to our shareholders during any period in which our quarterly and/or cumulative twelve-month net earnings are insufficient to fund the dividend amount, among other requirements. We may not pay a dividend if the Federal Reserve objects or until such time as we receive approval from the Federal Reserve or we no longer need to provide notice under applicable regulations. In addition, we may be restricted by applicable law or regulation or actions taken by our regulators, now or in the future, from paying dividends to, or repurchasing shares of our common stock from, our shareholders. We cannot provide assurance that we will continue paying dividends on, or repurchase shares of, our common stock at current levels or at all. A reduction or discontinuance of dividends on our common stock or our share repurchases could have a material adverse effect on the market price of our common stock.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

The Corporation's cybersecurity risk management program is integrated into our enterprise risk management program and is designed to expeditiously identify, analyze and protect against security threats to its computer systems, software, networks, storage devices and other technology assets. Our management team, with oversight from our Board of Directors, proactively manages the Corporation's cybersecurity risks to avoid or minimize the impacts of attacks by unauthorized parties attempting to obtain access to confidential information, destroy data, disrupt service, sabotage systems or cause other damage. Specifically, the Corporation has appointed a CISO to maintain a comprehensive information security program. Our strategy includes a continuous improvement mindset along with a defense in depth approach to cybersecurity. We utilize industry standards that include the NIST Cybersecurity Framework and the Financial Services Sector Cybersecurity Profile. Our layered security architecture consists of innovative technology to detect, prevent, and mitigate cybersecurity threats. Ongoing proactive analysis of cyber threat intelligence ensures that we are taking the appropriate counter measures to defend against the latest threats. We use monitoring and preventive controls to detect and respond swiftly to data breaches and cyber threats involving our systems. We regularly evaluate our systems and controls and implement upgrades as necessary. We also attempt to reduce our exposure to our vendors' data privacy and cyber incidents by performing initial vendor due diligence that is updated periodically for critical vendors, negotiating service level standards with vendors, negotiating for indemnification from vendors for confidentiality and data breaches, and limiting third-party access to the least privileged level necessary to perform outsourced functions. The additional cost to us of data and cybersecurity monitoring and protection systems and controls includes the cost of hardware and software, third-party technology providers, consulting and forensic testing firms, insurance premium costs, legal fees and the cost of personnel who focus a substantial portion of their responsibilities on data security and cybersecurity.

The Corporation uses an integrated cybersecurity incident response plan ICIRP designed to enable management to respond timely to cybersecurity incidents, coordinate such responses within the Corporation and with our Board of Directors, notify law enforcement and other government agencies, and notify customers and employees. The ICIRP provides a documented framework for identifying and responding to actual or potential cybersecurity incidents, including timely notification of and escalation to the CIRST. The CIRST facilitates coordination across key stakeholders of the Corporation. The Corporation's CISO and key members of management are members of the ICIRP. The Corporation provides the CISO and the information security team with a comprehensive suite of security tools and techniques to protect the confidentiality, integrity and availability of the Corporation's data for the benefit of our customers, employees and shareholders. We periodically engage third-party consultants to assess the effectiveness of our strategy, tools and techniques, and overall information security program. Independent oversight and assurance activities include internal audits, vulnerability assessments and penetration testing. The Corporation's cybersecurity professionals are well-trained on how to protect customer and employee information through ongoing education and awareness initiatives.

The Corporation maintains a third-party risk management program designed to identify, analyze and monitor risks, including cybersecurity risks, associated with vendors and outside service providers. Our vendor risk management team collaborates closely with the information security team to ensure third parties meet certain information security control requirements. Our information security team proactively monitors our internal systems and email gateways for phishing email attacks. Remote connections are also assessed and monitored given a portion of our workforce works remotely.

Our Board of Directors provides direction and oversight over the Corporation's enterprise-wide risk management program, including risks related to cybersecurity. The Risk Committee is responsible for overseeing the Corporation's information security program and execution. The Risk Committee promotes collaboration and cooperation between various elements within the Corporation relative to information security.

Cybersecurity incidents are managed through the ICIRP, which provides direction to management allowing for the timely transfer of information throughout the organization. Our policy requires material incidents to be reported within four business days after an incident is determined to be material with the materiality determination to be completed without unreasonable delay. Management's Disclosure Committee has developed a plan to facilitate making timely determinations as to whether and when incidents should be disclosed. If a material incident occurs, the Corporation will describe in detail the material aspects and nature, scope and timing of the incident, along with the impact to its financial condition and results of operations.

To our knowledge, previous cybersecurity incidents have not materially affected the Corporation, its business strategy, financial condition or results of operation. With regard to the possible impact of future cybersecurity threats or incidents, see "Item 1A. Risk Factors."

Item 2. Properties

The Corporation's financial center properties as of December 31, 2024 totaled 216 financial centers. Of those financial centers, 54 were owned and 162 were leased. Remote service facilities (mainly stand-alone ATMs) are excluded from these totals. The Corporation's headquarters is located in Lancaster, Pennsylvania. The Corporation owns an operations center located in East Petersburg, Pennsylvania.

Item 3. Legal Proceedings

The information presented in the "Legal Proceedings" section of "Note 21 - Commitments and Contingencies" in the Notes to Consolidated Financial Statements is incorporated herein by reference.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Common Stock

As of February 3, 2025, the Corporation had 182.2 million shares of $2.50 par value common stock outstanding held by approximately 48,603 holders of record. The closing price per share of the Corporation's common stock on February 25, 2025 was $19.57. The common stock of the Corporation is traded on the Nasdaq Global Select Market under the symbol "FULT".

Restrictions on the Payments of Dividends

The Corporation is a separate and distinct legal entity from its banking and nonbanking subsidiaries and depends on the payment of dividends from its subsidiaries, principally Fulton Bank, for substantially all of its revenues. As a result, the Corporation's ability to make dividend payments on its common stock depends primarily on compliance with applicable federal regulatory requirements and the receipt of dividends and other distributions from its subsidiaries. There are various regulatory and prudential supervisory restrictions, which may change from time to time, that impact the ability of its banking subsidiary to pay dividends or make other payments to the Corporation. In addition, dividends on the Corporation's common stock may not be declared, paid or set aside for payment unless the full dividends for the immediately preceding dividend payment period for the Corporation's Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series A have been declared and paid or declared and a sum sufficient for the payment thereof has been set aside. For additional information regarding the regulatory restrictions applicable to the Corporation and its subsidiaries, see "Supervision and Regulation," in "Item 1. Business;" "Item 1A. Risk Factors" - *We are a bank holding company and rely on dividends and other payments from our subsidiaries for substantially all of our revenue and our ability to make dividend payments, distributions and other payments*;" and "Note 12 - Regulatory Matters," in the Notes to Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data."

Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information about options outstanding under the Corporation's Employee Equity Plan and the number of securities remaining available for future issuance under the Employee Equity Plan, the Directors' Plan and the ESPP as of December 31, 2024:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (1)	Weighted-average exercise price of outstanding, options, warrants and rights (2)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column) (3)
Equity compensation plans approved by security holders	2,702,997	$ 12.61	5,030,550
Equity compensation plans not approved by security holders	—	—	—
Total	2,702,997	$ 12.61	5,030,550

(1) The number of securities to be issued upon exercise of outstanding options, warrants and rights includes: (i) 1,094,846 PSUs, which is the target number of PSUs that are payable under the Employee Equity Plan, though no shares will be issued until achievement of applicable performance goals, (ii) 1,315,836 time-vested RSUs granted under the Employee Equity Plan and (iii) 292,315 time-vested RSUs granted under the Directors' Plan.

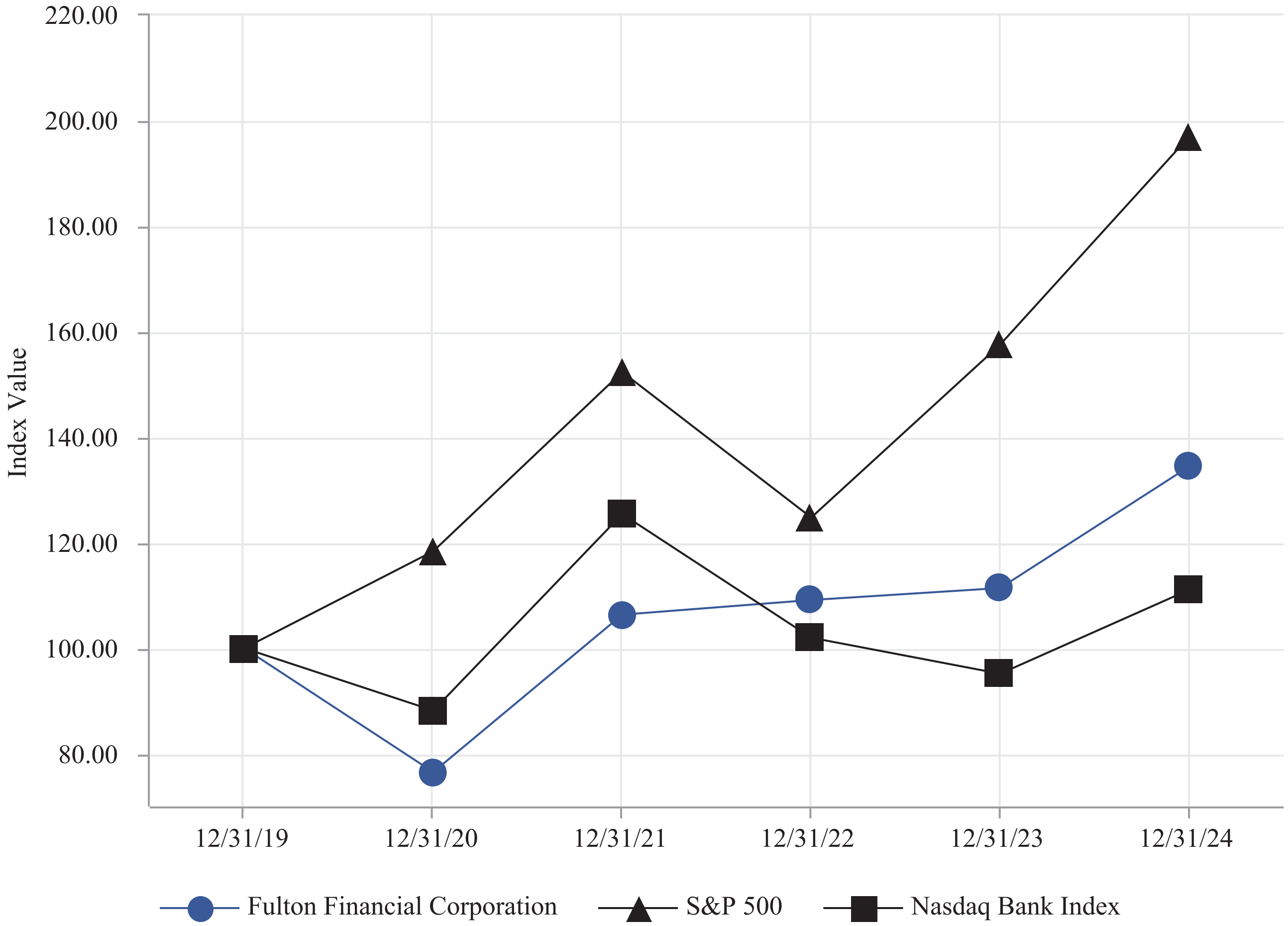
(2) The weighted-average exercise price of outstanding warrants and rights does not take into account outstanding PSUs and RSUs granted under the Employee Equity Plan and the Directors' Plan.

(3) Consists of: (i) 3,839,493 shares that may be awarded under the Employee Equity Plan, (ii) 325,059 shares that may be awarded under the Directors' Plan and (iii) 865,998 shares that may be purchased under the ESPP. Excludes accrued purchase rights under the ESPP as of December 31, 2024 as the number of shares to be purchased is indeterminable until the shares are issued.

Performance Graph

The following graph shows cumulative total shareholder return (i.e., price change, plus reinvestment of dividends) on the common stock of the Corporation during the five-year period ended December 31, 2024, compared with (1) the Nasdaq Bank Index and (2) the S&P 500. The graph is not indicative of future price performance.

The graph below is furnished under this Part II, Item 5 of this Annual Report on Form 10-K and shall not be deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Exchange Act.



	Year Ending December 31					
Index	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Fulton Financial Corporation	$ 100.00	$ 76.52	$ 106.37	$ 109.15	$ 111.42	$ 134.46
S&P 500	$ 100.00	$ 118.40	$ 152.39	$ 124.79	$ 157.59	$ 197.02
Nasdaq Bank Index	$ 100.00	$ 88.19	$ 125.45	$ 102.00	$ 95.17	$ 111.09

Issuer Purchases of Equity Securities

There were no repurchases of our common stock during the fourth quarter of 2024.

During 2024, 1.9 million shares were repurchased at a total cost of $30.3 million, or $15.69 per share, under the 2024 Repurchase Program.

On December 17, 2024, the Corporation announced that its Board of Directors approved the 2025 Repurchase Program. The 2025 Repurchase Program will expire on December 31, 2025. Under the 2025 Repurchase Program, the Corporation is authorized to repurchase up to $125.0 million of shares of its common stock. Under this authorization, up to $25.0 million of the $125 million authorization may be used to repurchase the Corporation's Preferred Stock through December 31, 2025.

As permitted by securities laws and other legal requirements and subject to market conditions and other factors, purchases may be made from time to time under the 2025 Repurchase Program in open market or privately negotiated transactions, including without limitation, through accelerated share repurchase transactions. The 2025 Repurchase Program may be discontinued at any time.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion relates to the Corporation, a financial holding company registered under the BHCA and incorporated under the laws of the Commonwealth of Pennsylvania, and its wholly-owned subsidiaries. Management's Discussion should be read in conjunction with the Consolidated Financial Statements and other financial information presented in this Annual Report on Form 10-K.

OVERVIEW

The Corporation is a financial holding company, which, through its wholly-owned banking subsidiary, provides a full range of consumer and commercial financial services in Pennsylvania, Delaware, Maryland, New Jersey and Virginia.

The Corporation generates the majority of its revenue through net interest income, or the difference between interest earned on loans and investments and interest paid on deposits and borrowings. Growth in net interest income is dependent upon balance sheet growth and maintaining or increasing the NIM, which is FTE net interest income as a percentage of average interest-earning assets. The Corporation also generates revenue through fees earned on the various services and products offered to its customers and through gains on sales of assets, such as loans, investments and properties. Offsetting these revenue sources are provisions for credit losses on loans and OBS credit risks, non-interest expenses and income taxes.

The following table presents a summary of the Corporation's earnings and selected performance ratios:

	2024	2023	2022
	(dollars in thousands, except per share)		
Net income	**$ 288,743**	$ 284,280	$ 286,981
Net income available to common shareholders	**$ 278,495**	$ 274,032	$ 276,733
Net income available to common shareholders per share (diluted)	**$ 1.57**	$ 1.64	$ 1.67
Operating net income available to common shareholders per share(1)	**$ 1.85**	$ 1.71	$ 1.76
Return on average assets	**0.95 %**	1.04 %	1.10 %
Operating return on average assets(1)	**1.11 %**	1.08 %	1.16 %
Return on average common shareholders' equity	**9.83 %**	11.24 %	11.69 %
Operating return on average common shareholders' equity (tangible)(1)	**14.81 %**	15.21 %	16.08 %
Net interest margin(2)	**3.42 %**	3.42 %	3.27 %
Efficiency ratio(1)	**60.8 %**	60.5 %	60.5 %
Non-performing assets to total assets	**0.69 %**	0.56 %	0.66 %
Net charge-offs to average loans, annualized	**0.19 %**	0.14 %	0.04 %

(1) Ratio represents a financial measure derived by methods other than GAAP. See reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measure under the "Supplemental Reporting of Non-GAAP Based Financial Measures" section of Management's Discussion.
(2) Presented on a FTE basis using a 21% federal tax rate and statutory interest expense disallowances.

Acquisition of Substantially all of the Assets and Assumption of Substantially all of the Deposits and Certain Liabilities of Republic First Bank from the FDIC

On the Acquisition Date, Fulton Bank acquired substantially all of the assets and assumed substantially all of the deposits and certain liabilities of Republic First Bank from the FDIC, as receiver for Republic First Bank. As part of the Republic First Transaction, the Bank acquired approximately $4.8 billion of assets of Republic First Bank and assumed approximately $5.6 billion of liabilities of Republic First Bank. The Bank received approximately $0.8 billion of cash from the FDIC in connection with the Republic First Transaction.

As a result of the Republic First Transaction, the Bank enhanced its presence in Philadelphia, Pennsylvania and New Jersey.

In connection with the Republic First Transaction, Fulton Bank made a $5.0 million donation to the Fulton Forward Foundation to provide additional impact grants to nonprofit community organizations across the region that share the Bank's vision of advancing economic empowerment, particularly in underserved communities.

During the fourth quarter of 2024, as part of the Bank's Republic First Transaction integration, the Corporation closed 13 of the Bank's financial center locations and consolidated the operations of those locations into nearby financial center locations operated by the Bank. The premises and equipment of the 13 locations included five locations owned by the Bank and eight locations leased by the Bank. The Corporation recorded pre-tax costs of approximately $9.8 million reflected in acquisition-related expenses in the Consolidated Statements of Income for the year ended December 31, 2024, consisting of write-offs of premises and equipment and related expenses, severance expenses and lease termination charges.

See "Note 2 - Business Combinations" in the Notes to Consolidated Financial Statements in Part 1, "Item 1. Financial Statements."

Common Stock Offering

On May 1, 2024, the Corporation completed its underwritten public offering of 19,166,667 shares of its common stock at a price to the public of $15.00 per share, before underwriting discounts. The net proceeds to the Corporation from the offering after deducting underwriting discounts and transaction expenses were approximately $272.6 million.

Sale-Leaseback Transaction

On May 10, 2024, the Bank and Fulton Financial Realty Company, a wholly owned subsidiary of the Corporation, entered into the Sale-Leaseback Transaction and received an aggregate cash purchase price of $55.4 million. The Bank leased each of the locations sold in the Sale-Leaseback Transaction for an initial term of 15 years, with the option to extend the term of each for up to three successive terms of up to five years each. The Corporation recorded a pre-tax gain, after deduction of transaction-related expenses, of approximately $20.3 million in connection with the Sale-Leaseback Transaction during the second quarter of 2024. See "Note 18 - Leases" in the Notes to Consolidated Financial Statements in "Item 1. Financial Statements."

Securities Restructuring

In May 2024, the Corporation sold approximately $345.7 million AFS securities and recorded a pre-tax loss of $20.3 million during the second quarter of 2024. The proceeds from the sale were reinvested into higher-yielding securities of a similar type and similar duration.

Borrowings

In November 2024, the Corporation retired $168.8 million of subordinated notes issued in November 2014 and June 2015 which matured on November 15, 2024. See "Note 10 - Borrowings" in the Notes to Consolidated Financial Statements in "Item 1. Financial Statements."

Financial Highlights

Net Income Available to Common Shareholders and Net Income Per Share - Net income available to common shareholders was $278.5 million for the year ended December 31, 2024, a $4.5 million increase compared to $274.0 million in 2023. Net income available to common shareholders per diluted share was $1.57 for the year ended December 31, 2024, a $0.07 decrease compared to $1.64 in 2023.

Year Ended December 31, 2024 Results were Impacted by the Following Items:

- Preliminary gain on acquisition of $37.0 million (net of tax).
- CDI of $92.6 million in connection with the Republic First Transaction resulting in intangible amortization expense of $15.7 million.
- Provision for credit losses of $23.4 million related to non-PCD Loans acquired in the Republic First Transaction.
- Acquisition-related expenses of $37.6 million.
- FultonFirst implementation and asset disposal costs of $32.0 million.

In the fourth quarter of 2024, in connection with the FultonFirst initiative, the Corporation recorded pre-tax costs of $8.5 million in connection with the Corporation's plan to consolidate 15 financial centers in early 2025. The pre-tax costs of $8.5

million consisted of write-offs of premises and equipment and related expenses, severance expenses and lease termination charges.

Supplemental Reporting of Non-GAAP Based Financial Measures

This Annual Report on Form 10-K contains supplemental financial information, as detailed below, that has been derived by methods other than GAAP. The Corporation has presented these non-GAAP financial measures because it believes that these measures provide useful and comparative information to assess trends in the Corporation's results of operations. Presentation of these non-GAAP financial measures is consistent with how the Corporation evaluates its performance internally and these non-GAAP financial measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the Corporation's industry. Management believes that these non-GAAP financial measures, in addition to GAAP measures, are also useful to investors to evaluate the Corporation's results. Investors should recognize that the Corporation's presentation of these non-GAAP financial measures might not be comparable to similarly-titled measures of other companies. These non-GAAP financial measures should not be considered a substitute for GAAP basis measures, and the Corporation strongly encourages a review of its consolidated financial statements in their entirety.

Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measure follow:

	2024	2023	2022
	(dollars in thousands, except per share data)		
Operating net income available to common shareholders			
Net income available to common shareholders	**$ 278,495**	$ 274,032	$ 276,733
Less: Other revenue	**(1,805)**	1,855	—
Less: Gain on acquisition, net of tax	**(36,996)**	—	—
Plus: Loss on securities restructuring	**20,282**	—	—
Plus: Core deposit intangible amortization	**17,307**	2,308	1,029
Plus: Acquisition-related expense	**37,635**	—	10,328
Plus: CECL Day 1 Provision	**23,444**	—	7,954
Plus: FDIC special assessment	**940**	6,494	—
Less: Gain on Sale-Leaseback Transaction	**(20,266)**	—	—
Plus: FultonFirst implementation and asset disposals	**32,038**	3,197	—
Less: Tax impact of adjustments	**(23,011)**	(2,909)	(4,055)
Operating net income available to common shareholders (numerator)	**$ 328,063**	$ 284,977	$ 291,989
Weighted average shares (diluted) (denominator)	**177,223**	166,769	165,472
Operating net income available to common shareholders, per share (diluted)	**$ 1.85**	$ 1.71	$ 1.76

	2024	2023	2022
	(dollars in thousands)		
Operating return on average assets			
Net income	**$ 288,743**	$ 284,280	$ 286,981
Plus: Other revenue	**(1,805)**	1,855	—
Less: Gain on acquisition, net of tax	**(36,996)**	—	—
Plus: Loss on securities restructuring	**20,282**	—	—
Plus: Core deposit intangible amortization	**17,307**	2,308	1,029
Plus: Acquisition-related expense	**37,635**	—	10,328
Plus: CECL Day 1 Provision	**23,444**	—	7,954
Plus: FDIC special assessment	**940**	6,494	—
Less: Gain on Sale-Leaseback Transaction	**(20,266)**	—	—
Plus: FultonFirst implementation and asset disposals	**32,038**	3,197	—
Less: Tax impact of adjustments	**(23,011)**	(2,909)	(4,055)
Operating net income (numerator)	**$ 338,311**	$ 295,225	$ 302,237
Total average assets	**$30,473,130**	$27,229,704	$25,971,484
Less: Average net core deposit intangible	**(61,810)**	(5,996)	(3,915)
Total average operating assets (denominator)	**$30,411,320**	$27,223,708	$25,967,569
Operating return on average assets	**1.11 %**	1.08 %	1.16 %
Operating return on average common shareholders' equity (tangible)			
Net income available to common shareholders	**$ 278,495**	$ 274,032	$ 276,733
Plus: Other revenue	**(1,805)**	1,855	—
Less: Gain on acquisition, net of tax	**(36,996)**	—	—
Plus: Loss on securities restructuring	**20,282**	—	
Plus: Intangible amortization	**17,830**	2,944	1,731
Plus: Acquisition-related expense	**37,635**	—	10,328
Plus: CECL Day 1 Provision	**23,444**	—	7,954
Plus: FDIC special assessment	**940**	6,494	—
Less: Gain on Sale-Leaseback Transaction	**(20,266)**	—	—
Plus: FultonFirst implementation and asset disposals	**32,038**	3,197	—
Less: Tax impact of adjustments	**(23,121)**	(3,043)	(4,203)
Adjusted net income available to common shareholders (numerator)	**$ 328,476**	$ 285,479	$ 292,543
Average shareholders' equity	**$ 3,025,642**	$ 2,631,249	$ 2,560,323
Less: Average goodwill and intangible assets	**(615,156)**	(561,858)	(548,102)
Less: Average preferred stock	**(192,878)**	(192,878)	(192,878)
Average tangible common shareholders' equity (denominator)	**$ 2,217,608**	$ 1,876,513	$ 1,819,343
Return on average common shareholders' equity (tangible)	**14.81 %**	15.21 %	16.08 %

	2024	2023	2022
	(dollars in thousands)		
Efficiency ratio			
Non-interest expense	**$ 819,791**	$ 679,207	$ 633,728
Less: Amortization of tax credit investments	**—**	—	(2,783)
Less: Intangible amortization	**(17,830)**	(2,944)	(1,731)
Less: Acquisition-related expense	**(37,635)**	—	(10,328)
Less: Debt extinguishment gain (cost)	**—**	720	—
Less: FDIC special assessment	**(940)**	(6,494)	—
Less: Gain on Sale-Leaseback Transaction	**20,266**	—	—
Less: FultonFirst implementation and asset disposals	**(32,038)**	(3,197)	—
Non-interest expense (numerator)	**$ 751,614**	$ 667,292	$ 618,886
Net interest income	**$ 960,325**	$ 854,286	$ 781,634
Tax equivalent adjustment	**17,915**	17,811	14,995
Plus: Total non-interest income	**275,731**	227,678	227,130
Plus: Other revenue	**(1,805)**	1,855	—
Less: Gain on acquisition, net of tax	**(36,996)**	—	—
Plus: Investment securities losses (gains), net	**20,283**	733	27
Total revenue (denominator)	**$ 1,235,453**	$ 1,102,363	$ 1,023,786
Efficiency ratio	**60.8 %**	**60.5 %**	**60.5 %**

CRITICAL ACCOUNTING POLICIES

The following is a summary of those accounting policies that the Corporation considers to be most important to the presentation of its financial condition and results of operations, because they require management's most difficult judgments as a result of the need to make estimates about the effects of matters that are inherently uncertain. See additional information regarding these critical accounting policies in "Note 1 - Summary of Significant Accounting Policies," in the Notes to the Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data."

Allowance for Credit Losses - The ACL is based on estimated losses over the remaining expected life of loans. Management's determination of the appropriateness of the reserve is based on periodic evaluations of the loan portfolio, lending-related commitments, current and forecasted economic factors and other relevant factors.

Loans Evaluated Collectively: Loans evaluated collectively for expected credit losses include all accruing loans and non-accrual loans where the total commitment amount is less than $1 million. In determining the ACL, the Corporation uses three inputs to model the estimate. These inputs are the PD rate which estimates the likelihood that a borrower will be unable to meet its debt obligations, the LGD rate which estimates the percentage of an asset that is lost if a borrower defaults, and the EAD balance which estimates the gross exposure under a facility upon default. The PD models were developed based on historical default data. Both internal and external variables are evaluated in the process. The main internal variables are risk rating or delinquency history and indicators of default. The external variables are economic variables obtained from third-party forecasts.

The PD models are transition matrix models that utilize historical credit observations and incorporate economic forecasts to project future default rates using a linear regression methodology for each loan segment. The LGD model uses a vintage loss approach that estimates LGD rates based on the bank’s historical loss experience for each loan segment. The EAD incorporates a prepayment rate and applies the PD rates to estimate the projected exposure at default across the life of each loan. The ACL is calculated by applying the LGD to the EAD at each period across the life of each loan.

The ACL incorporates the Corporation’s historical credit observations, current conditions, and reasonable and supportable forecasts that are based on the projected performance of specific economic variables that are statistically correlated with historical PD rates. The reasonable and supportable forecast extends to 24 months and reverts back to an average PD rate using a straight-line reversion methodology over a 12 month period.

The ACL is highly sensitive to the economic forecasts used to develop the reserve. As such, the calculation of the ACL is inherently subjective and requires management to exercise judgment.

The ACL may include qualitative adjustments intended to capture the impact of uncertainties not reflected in the quantitative models. In determining qualitative adjustments, management considers changes in national, regional, and local economic and business conditions and their impact on the lending environment, including underwriting standards and other factors affecting credit losses over the remaining life of each loan.

The ACL for loans was $379.2 million and $293.4 million on December 31, 2024 and December 31, 2023, respectively. The increase of $85.8 million was primarily a result of the Republic First Transaction, which included $54.6 million for PCD Loans and $23.4 million recorded through the provision for credit losses at the Acquisition Date for non-PCD Loans.

The Corporation performs loan loss sensitivity analysis on a quarterly basis to determine the impact of varying economic conditions based on third-party forecasts. Our sensitivity analysis does not represent management's view of expected credit losses at the balance sheet date. One scenario identified includes a highly adverse economic environment. This scenario resulted in a hypothetical increase to the ACL of approximately $39.5 million.

For further discussion of the methodology used in the determination of the ACL, refer to Note 1, "Summary of Significant Accounting Policies" in the Notes to the Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data."

Income Taxes - Income tax expense is based upon income before taxes, adjusted for the effect of certain tax-exempt income, non-deductible expenses and credits. In addition, certain items of income and expense are reported in different periods for financial reporting and tax return purposes. The tax effects of these temporary differences are recognized currently in the deferred income tax provision or benefit. DTAs or deferred tax liabilities are computed based on the difference between the financial statement and income tax bases of assets and liabilities using the applicable enacted marginal tax rate.

The Corporation must also evaluate the likelihood that DTAs will be recovered through future taxable income. If any such assets are determined to be more likely than not unrecoverable, then a valuation allowance must be recognized. The assessment of the carrying value of DTAs is based on certain assumptions, the changes of which could have a material impact on the Corporation's consolidated financial statements.

On a periodic basis, the Corporation evaluates its income tax expense based on tax laws, regulations and financial reporting considerations and records adjustments as appropriate. Recognition and measurement of tax positions is based upon management's evaluations of current taxing authorities' examinations of the Corporation's tax returns, recent positions taken by the taxing authorities on similar transactions and the overall tax environment.

Income tax expense was $55.9 million and $64.4 million for the years ended December 31, 2024 and December 31, 2023, respectively.

Recently Issued Accounting Standards

For a description of accounting standards recently issued, but not yet adopted by the Corporation, see "Recently Issued Accounting Standards," in "Note 1 - Summary of Significant Accounting Policies" in the Notes to Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data."

RESULTS OF OPERATIONS

Net Interest Income

FTE net interest income was $978.2 million for the year ended December 31, 2024, an increase of $106.1 million, compared to $872.1 million for the same period in 2023. For the twelve months ended December 31, 2024 and December 31, 2023, NIM was 3.42%. The Corporation manages the risk associated with changes in interest rates through the techniques described within Item "7A. Quantitative and Qualitative Disclosures About Market Risk." The following table provides a comparative average balance sheet and net interest income analysis for 2024 compared to 2023 and 2022. Interest income and yields are presented on an FTE basis using a 21% federal tax rate as well as statutory interest expense disallowances. The discussion following this table is based on these tax-equivalent amounts.

	2024			2023			2022		
	Average Balance	**Interest [1]**	**Yield/ Rate**	Average Balance	Interest [1]	Yield/ Rate	Average Balance	Interest [1]	Yield/ Rate
	(dollars in thousands)								
ASSETS									
Interest-earning assets:									
Net loans[2]	**$23,145,114**	**$1,406,216**	**6.08 %**	$20,929,302	$1,166,376	5.57 %	$19,152,740	$ 765,603	4.00 %
Investment securities[3]	**4,486,726**	**143,317**	**3.19**	4,210,010	109,325	2.59	4,364,627	106,115	2.43
Other interest-earning assets	**962,971**	**50,578**	**5.25**	387,360	15,346	3.96	829,705	8,115	0.98
Total interest-earning assets	**28,594,811**	**1,600,111**	**5.60**	25,526,672	1,291,047	5.06	24,347,072	879,833	3.61
Noninterest-earning assets:									
Cash and due from banks	**295,156**			215,649			156,050		
Premises and equipment	**197,823**			219,315			220,982		
Other assets	**1,761,083**			1,553,284			1,505,277		
Less: ACL - loans [4]	**(375,743)**			(285,216)			(257,897)		
Total Assets	**$30,473,130**			$27,229,704			$25,971,484		
LIABILITIES AND SHAREHOLDERS' EQUITY									
Interest-bearing liabilities:									
Demand deposits	**$ 7,049,915**	**$ 128,969**	**1.83 %**	$ 5,582,930	$ 62,494	1.12 %	$ 5,593,942	$ 8,219	0.15 %
Savings and money market deposits	**7,364,106**	**180,455**	**2.45**	6,616,087	122,340	1.85	6,458,165	16,642	0.26
Brokered deposits	**981,060**	**51,691**	**5.27**	847,795	43,635	5.15	262,359	4,097	1.56
Time deposits	**3,747,029**	**160,744**	**4.29**	2,170,245	63,735	2.94	1,617,804	14,871	0.92
Total interest-bearing deposits	**19,142,110**	**521,859**	**2.73**	15,217,057	292,204	1.92	13,932,270	43,829	0.31
Borrowings and other interest-bearing liabilities	**2,280,382**	**100,012**	**4.39**	2,771,330	126,746	4.54	1,358,357	39,375	2.89
Total interest-bearing liabilities	**21,422,492**	**621,871**	**2.90**	17,988,387	418,950	2.32	15,290,627	83,204	0.54
Noninterest-bearing liabilities:									
Demand deposits	**5,394,518**			5,939,799			7,522,304		
Other liabilities	**630,478**			670,269			598,230		
Total Liabilities	**27,447,488**			24,598,455			23,411,161		
Shareholders' equity	**3,025,642**			2,631,249			2,560,323		
Total Liabilities and Shareholders' Equity	**$30,473,130**			$27,229,704			$25,971,484		
Net interest income/net interest margin (FTE)		**978,240**	**3.42 %**		872,097	3.42 %		796,629	3.27 %
Tax equivalent adjustment		**(17,915)**			(17,811)			(14,995)	
Net interest income		**$ 960,325**			$ 854,286			$ 781,634	

(1) Presented on a fully taxable-equivalent basis using a 21% federal tax rate and statutory interest expense disallowances.
(2) Average balances include non-performing loans.
(3) Average balances include amortized historical cost for AFS securities; the related unrealized holding gains (losses) are included in other assets.
(4) ACL - loans relates to the ACL specifically for net loans and does not include the ACL for OBS credit exposures, which is included in other liabilities.

Comparison of 2024 to 2023

The following table summarizes the changes in FTE interest income and interest expense resulting from changes in average balances (volumes) and changes in yields and rates:

	2024 versus 2023 Increase (decrease) due to change in		
	Volume	**Yield/Rate**	**Net**
	(dollars in thousands)		
FTE interest income on:			
Net loans[1]	**$ 128,611**	**$ 111,229**	**$ 239,840**
Investment securities	**7,513**	**26,479**	**33,992**
Other interest-earning assets	**28,897**	**6,335**	**35,232**
Total FTE interest income	**$ 165,021**	**$ 144,043**	**$ 309,064**
Interest expense on:			
Demand deposits	**$ 19,480**	**$ 46,995**	**$ 66,475**
Savings and money market deposits	**15,022**	**43,093**	**58,115**
Brokered deposits	**7,016**	**1,040**	**8,056**
Time deposits	**59,441**	**37,568**	**97,009**
Borrowings and other interest-bearing liabilities	**(22,532)**	**(4,202)**	**(26,734)**
Total interest expense	**$ 78,427**	**$ 124,494**	**$ 202,921**

[1] Average balance includes non-performing loans.

Note: Changes which are partially attributable to both volume and rate are allocated to the volume and rate components presented above based on the percentage of the direct changes that are attributable to each component.

Compared to 2023, FTE total interest income for 2024 increased $309.1 million due to increases of $144.0 million attributable to changes in yield and $165.0 million attributable to changes in volume. The increase due to changes in yield was largely due to an increase in net loans. The increase due to changes in volume was due to an increase in average net loans.

The yield on average interest-earning assets increased 54 bps in 2024 compared to 2023.

In 2024, interest expense increased $202.9 million compared to 2023, primarily driven by an increase in rate on interest-bearing liabilities resulting in a $124.5 million increase in interest expense. The increase in interest expense attributable to rate was driven by increases in interest-bearing demand deposits, savings and money market deposits and time deposits. The increase in interest expense attributable to volume was $78.4 million primarily driven by increases in time deposits, interest-bearing demand deposits and savings and money market deposits, partially offset by a decrease in borrowings and other interest-bearing liabilities.

The rate on average interest-bearing liabilities increased 58 bps in 2024 compared to 2023.

Average loans and average FTE yields, by type, are summarized in the following table:

	2024		2023		Increase (Decrease)	
	Balance	**Yield**	Balance	Yield	$	%
			(dollars in thousands)			
Real estate - commercial mortgage	**$ 9,052,738**	**6.51 %**	$ 7,876,076	5.97 %	$ 1,176,662	14.9 %
Commercial and industrial	**4,779,254**	**6.67**	4,596,742	6.27	182,512	4.0
Real estate - residential mortgage	**5,925,708**	**4.31**	5,079,739	3.76	845,969	16.7
Real estate - home equity	**1,060,520**	**7.43**	1,060,396	6.95	124	—
Real estate - construction	**1,275,562**	**7.61**	1,247,336	6.81	28,226	2.3
Consumer	**725,308**	**6.67**	748,089	5.94	(22,781)	(3.0)
Leases and other loans[1]	**326,024**	**5.77**	320,924	4.37	5,100	1.6
Total loans	**$ 23,145,114**	**6.08 %**	$ 20,929,302	5.57 %	$ 2,215,812	10.6 %

[1] Consists of equipment lease financing, overdrafts and net origination fees and costs.

During 2024, average net loans increased $2.2 billion, or 10.6%, compared to 2023. The increase in average net loans was primarily due to approximately $2.4 billion of total loans acquired in the Republic First Transaction and outstanding as of December 31, 2024. Overall, the increase in average net loans was largely driven by increases in average commercial mortgage loans, average residential mortgage loans and average commercial and industrial loans of $1.2 billion, $846.0 million and $182.5 million, respectively. The yield on total loans increased 51 bps to 6.08% in 2024 compared to 5.57% in 2023.

Average deposits and interest rates, by type, are summarized in the following table:

	2024		2023		Increase (Decrease)	
	Balance	**Rate**	Balance	Rate	$	%
			(dollars in thousands)			
Noninterest-bearing demand	**$ 5,394,518**	**— %**	$ 5,939,799	— %	$ (545,281)	(9.2)%
Interest-bearing demand	**7,049,915**	**1.83**	5,582,930	1.12	1,466,985	26.3
Savings and money market deposits	**7,364,106**	**2.45**	6,616,087	1.85	748,019	11.3
Total demand deposits and savings and money market deposits	**19,808,539**	**1.56**	18,138,816	1.02	1,669,723	9.2
Brokered deposits	**981,060**	**5.27**	847,795	5.15	133,265	15.7
Time deposits	**3,747,029**	**4.29**	2,170,245	2.94	1,576,784	72.7
Total deposits	**$ 24,536,628**	**2.13 %**	$21,156,856	1.38 %	$ 3,379,772	16.0 %

The cost of total deposits increased 75 bps to 2.13% in 2024 compared to 1.38% in 2023, primarily due to rising interest rates and a change in mix of deposits. Average deposits increased $3.4 billion, or 16.0%, compared to 2023. The increase in average total deposits was primarily due to approximately $3.7 billion of total deposits assumed in the Republic First Transaction and outstanding as of December 31, 2024. The increase in average deposits occurred primarily in average time deposits, average interest-bearing demand deposits and average savings and money market deposits, which increased $1.6 billion, $1.5 billion and $748.0 million, respectively, partially offset by a decrease in average noninterest-bearing demand deposits of $545.3 million.

Average borrowings and interest rates, by type, are summarized in the following table:

	2024		2023		Increase (Decrease)	
	Balance	**Rate**	Balance	Rate	$	%
			(dollars in thousands)			
Federal funds purchased	**$ 51,306**	**5.52 %**	$ 566,379	5.30 %	$ (515,073)	(90.9)
Federal Home Loan Bank advances	**804,328**	**4.30**	922,164	5.05	(117,836)	(12.8)%
Senior debt and subordinated debt	**514,073**	**3.66**	539,726	3.96	(25,653)	(4.8)
Other borrowings and other interest-bearing liabilities[(1)]	**910,675**	**3.66**	743,061	3.77	167,614	22.6
Total borrowings and other interest-bearing liabilities	**$ 2,280,382**	**4.39 %**	$ 2,771,330	4.54 %	$ (490,948)	(17.7)%

(1) Includes repurchase agreements, short-term promissory notes, capital leases and collateral liabilities.

Average borrowings and other interest-bearing liabilities decreased $490.9 million during 2024 compared to 2023. The decrease in average borrowings and other interest-bearing liabilities was primarily due to decreases in federal funds purchased and average FHLB advances of $515.1 million and $117.8 million, respectively, partially offset by an increase in average other interest-bearing liabilities of $167.6 million.

In November 2024, the Corporation retired $168.8 million of subordinated notes issued in November 2014 and June 2015 which matured on November 15, 2024.

See "Note 10 - Borrowings" of the Notes to Consolidated Financial Statements for additional details.

Provision for Credit Losses

The provision for credit losses was $71.6 million in 2024 compared to $54.0 million in 2023. The increase was primarily due to the Republic First Transaction, which included a provision for credit losses of $23.4 million for non-PCD Loans, partially offset by an elevated level of provision for credit losses in the same period in 2023 due to a $13.3 million charge-off for a commercial office loan.

Non-Interest Income

The following table presents the components of non-interest income:

			Increase (Decrease)	
	2024	2023	$	%
		(dollars in thousands)		
Wealth management	**$ 84,743**	$ 75,541	$ 9,202	12.2 %
Commercial banking:				
Merchant and card	**29,186**	29,205	(19)	—
Cash management	**28,106**	23,340	4,766	20.4
Capital markets	**11,033**	15,654	(4,621)	(29.5)
Other commercial banking	**16,657**	12,961	3,696	28.5
Total commercial banking	**84,982**	81,160	3,822	4.7
Consumer banking:				
Card	**30,914**	26,343	4,571	17.4
Overdraft	**13,764**	11,416	2,348	20.6
Other consumer banking	**10,826**	9,438	1,388	14.7
Total consumer banking	**55,504**	47,197	8,307	17.6
Mortgage banking	**13,943**	10,388	3,555	34.2
Other	**19,846**	14,125	5,721	40.5
Non-interest income before investment securities gains (losses) and gain on acquisition, net of tax	**259,018**	228,411	30,607	13.4
Gain on acquisition, net of tax	**36,996**	—	36,996	N/M
Investment securities losses, net	**(20,283)**	(733)	(19,550)	N/M
Total Non-Interest Income	**$ 275,731**	$ 227,678	$ 48,053	21.1 %

Non-interest income before investment securities losses and gain on acquisition, net of tax increased $30.6 million, or 13.4%, during 2024 compared to 2023. The increase in non-interest income was partially due to $7.7 million from acquired operations in the Republic First Transaction. The remaining increase of $22.9 million included a $9.2 million increase in wealth management revenues due to an increase in assets under management, a $4.3 million increase in cash management fee income due to an increase in account analysis fees with customers electing to move funds to interest-bearing deposit accounts, a $3.6 million increase in mortgage banking income primarily due to higher loan volumes and spreads, a $1.8 million increase in SBA income largely due to higher loan sale volumes, a $1.6 million increase in income from bank owned life insurance and a $1.7 million increase in debit card fee income.

In May 2024, the Corporation sold $345.7 million of AFS securities and recorded a pre-tax loss of $20.3 million. The proceeds from the sale were reinvested into higher yielding securities of a similar type and similar duration.

Non-Interest Expense

The following table presents the components of non-interest expense:

	2024	2023	Increase (Decrease) $	Increase (Decrease) %
	(dollars in thousands)			
Salaries and employee benefits	**$ 424,733**	$ 376,795	$ 47,938	12.7 %
Data processing and software	**77,882**	66,471	11,411	17.2
Net occupancy	**69,359**	58,019	11,340	19.5
Other outside services	**47,811**	45,149	2,662	5.9
FDIC insurance	**23,829**	25,565	(1,736)	(6.8)
Equipment	**17,850**	14,390	3,460	24.0
Marketing	**8,958**	9,004	(46)	(0.5)
Professional fees	**10,681**	8,392	2,289	27.3
Intangible amortization	**17,830**	2,944	14,886	N/M
Other	**71,451**	69,281	2,170	3.1
Subtotal	**770,384**	676,010	94,374	14.0 %
Gain on Sale-Leaseback Transaction	**(20,266)**	—	(20,266)	N/M
Acquisition-related expenses	**37,635**	—	37,635	N/M
FultonFirst implementation and asset disposals	**32,038**	3,197	28,841	N/M
Total Non-Interest Expense	**$ 819,791**	$ 679,207	$ 140,584	20.7 %

Non-interest expense in 2024 increased $140.6 million, or 20.7%, compared to 2023. Excluding the gain on the Sale-Leaseback Transaction, acquisition-related expenses and FultonFirst implementation and asset disposal costs, non-interest expense increased $94.4 million, or 14.0%, in 2024 compared to 2023. The increase in non-interest expense was primarily due to $71.9 million from acquired operations in the Republic First Transaction, including $15.7 million of CDI amortization expense, and $21.5 million in salaries and benefits expense driven by annual merit increases, higher incentive compensation expense and lower deferred costs from loan origination activities.

Income Taxes

Income tax expense for 2024 was $55.9 million, an $8.6 million decrease compared to 2023. The Corporation's ETR was 16.2% in 2024. Excluding the impact from the $37.0 million gain on acquisition, net of tax, the Corporation's ETR was 18.2% compared to 18.5% in 2023. The decrease in income tax expense in 2024 resulted primarily from the lower ETR. The ETR is generally lower than the federal statutory rate of 21% due to tax-exempt interest income earned on loans, investments in tax-free municipal securities and TCIs that generate tax credits under various federal programs.

Comparison of 2023 to 2022

The following table summarizes the changes in FTE interest income and interest expense resulting from changes in average balances (volumes) and changes in yields and rates:

	2023 versus 2022		
	Increase (decrease) due to change in		
	Volume	Yield/Rate	Net
	(dollars in thousands)		
FTE interest income on:			
Net loans[1]	$ 76,608	$ 324,165	$ 400,773
Investment securities	(3,763)	6,973	3,210
Other interest-earning assets	(6,298)	13,529	7,231
Total FTE interest income	$ 66,547	$ 344,667	$ 411,214
Interest expense on:			
Demand deposits	$ (17)	$ 54,292	$ 54,275
Savings and money market deposits	421	105,277	105,698
Brokered deposits	19,464	20,074	39,538
Time deposits	6,577	42,287	48,864
Borrowings	56,410	30,961	87,371
Total interest expense	$ 82,855	$ 252,891	$ 335,746

[1] Average balance includes non-performing loans.

Note: Changes which are partially attributable to both volume and rate are allocated to the volume and rate components presented above based on the percentage of the direct changes that are attributable to each component.

Compared to 2022, FTE total interest income for 2023 increased $411.2 million due to increases of $344.7 million attributable to changes in yield and $66.5 million attributable to changes in volume. The increase due to changes in yield was largely due to an increase in net loans. The increase due to changes in volume was due to an increase in average net loans, partially offset by decreases in average other interest-earning assets and investment securities.

The yield on average interest-earning assets increased 145 bps in 2023 compared to 2022.

In 2023, interest expense increased $335.7 million compared to 2022, primarily driven by an increase in rate on interest-bearing liabilities resulting in a $252.9 million increase in interest expense. The increase in interest expense attributable to rate was driven by the increases in savings and money market deposits, interest-bearing demand deposits, time deposits, borrowings and other interest-bearing liabilities and brokered deposits. The increase in interest expense attributable to volume was $82.9 million, primarily driven by increases in borrowings and other interest-bearing liabilities and brokered deposits.

The rate on average interest-bearing liabilities increased 178 bps in 2023 compared to 2022.

Average loans and average FTE yields, by type, are summarized in the following table:

	2023		2022		Increase (Decrease)	
	Balance	Yield	Balance	Yield	$	%
	(dollars in thousands)					
Real estate - commercial mortgage	$ 7,876,076	5.97 %	$ 7,523,806	4.00 %	$ 352,270	4.7 %
Commercial and industrial	4,596,742	6.27	4,230,133	4.13	366,609	8.7
Real estate - residential mortgage	5,079,739	3.76	4,261,527	3.38	818,212	19.2
Real estate - home equity	1,060,396	6.95	1,101,142	4.60	(40,746)	(3.7)
Real estate - construction	1,247,336	6.81	1,178,550	4.14	68,786	5.8
Consumer	748,089	5.94	569,305	5.11	178,784	31.4
Leases and other loans[1]	320,924	4.37	288,277	6.04	32,647	11.3
Total loans	$20,929,302	5.57 %	$19,152,740	4.00 %	$1,776,562	9.3%

[1] Consists of equipment lease financing, overdrafts and net origination fees and costs.

During 2023, average loans increased $1.8 billion, or 9.3%, compared to 2022. The increase was largely driven by increases in average residential mortgage loans, average commercial and industrial loans, average commercial mortgage loans, average consumer loans and average construction loans of $818.2 million, $366.6 million, $352.3 million, $178.8 million and $68.8 million, respectively. The yield on total loans increased 157 bps to 5.57% in 2023 compared to 4.00% in 2022.

Average deposits and interest rates, by type, are summarized in the following table:

	2023		2022		Increase (Decrease)	
	Balance	Rate	Balance	Rate	$	%
			(dollars in thousands)			
Noninterest-bearing demand	$ 5,939,799	— %	$ 7,522,304	— %	$ (1,582,505)	(21.0)%
Interest-bearing demand	5,582,930	1.12	5,593,942	0.15	(11,012)	(0.2)
Savings and money market deposits	6,616,087	1.85	6,458,165	0.26	157,922	2.4
Total demand and savings and money market deposits	18,138,816	1.02	19,574,411	0.13	(1,435,595)	(7.3)
Brokered deposits	847,795	5.15	262,359	1.56	585,436	N/M
Time deposits	2,170,245	2.94	1,617,804	0.92	552,441	34.1
Total deposits	$21,156,856	1.38 %	$21,454,574	0.20 %	$ (297,718)	(1.4)%

The cost of total deposits increased 118 bps to 1.38% in 2023 compared to 0.20% in 2022, primarily due to rising interest rates and a change in mix of deposits. Average deposits decreased $297.7 million driven by a $1.6 billion decrease in average noninterest-bearing demand deposits, partially offset by increases in average brokered deposits, average time deposits and average savings and money market deposits of $585.4 million, $552.4 million and $157.9 million, respectively.

Average borrowings and interest rates, by type, are summarized in the following table:

	2023		2022		Increase (Decrease)	
	Balance	Rate	Balance	Rate	$	%
			(dollars in thousands)			
Federal funds purchased	$ 566,379	5.30 %	$ 91,125	3.21 %	$ 475,254	N/M
Federal Home Loan Bank advances	922,164	5.05	194,295	3.77	727,869	N/M
Senior debt and subordinated debt	539,726	3.96	564,337	3.94	(24,611)	(4.4)
Other borrowings and other interest-bearing liabilities[(1)]	743,061	3.77	508,600	1.34	234,461	46.1
Total borrowings and other interest-bearing liabilities	$2,771,330	4.54 %	$1,358,357	2.89 %	$1,412,973	104.0 %

(1) Includes repurchase agreements, short-term promissory notes, capital leases and collateral liabilities.

Average borrowings and other interest-bearing liabilities increased $1.4 billion during 2023 compared to 2022, primarily as a result of an increase in average net loans and a decrease in average total deposits. Average FHLB advances, average federal funds purchased and average other borrowings and other interest-bearing liabilities increased $727.9 million, $475.3 million and $234.5 million, respectively. See "Note 10 - Borrowings" of the Notes to Consolidated Financial Statements for additional details.

Non-Interest Income

The following table presents the components of non-interest income:

	2023	2022	Increase (Decrease) $	Increase (Decrease) %
	(dollars in thousands)			
Wealth management	$ 75,541	$ 72,843	$ 2,698	3.7
Commercial banking:				
Merchant and card	29,205	28,276	929	3.3 %
Cash management	23,340	23,729	(389)	(1.6)
Capital markets	15,654	12,256	3,398	27.7
Other commercial banking	12,961	11,518	1,443	12.5
Total commercial banking	81,160	75,779	5,381	7.1
Consumer banking:				
Card	26,343	24,472	1,871	7.6
Overdraft	11,416	15,480	(4,064)	(26.3)
Other consumer banking	9,438	9,544	(106)	(1.1)
Total consumer banking	47,197	49,496	(2,299)	(4.6)
Mortgage banking	10,388	14,204	(3,816)	(26.9)
Other	14,125	14,835	(710)	(4.8)
Non-interest income before investment securities gains (losses)	228,411	227,157	1,254	0.6
Investment securities (losses) gains, net	(733)	(27)	(706)	N/M
Total Non-Interest Income	$ 227,678	$ 227,130	$ 548	0.2 %

Non-interest income before investment securities gains (losses) increased $1.3 million, or 0.6%, during 2023 compared to 2022. The increase in non-interest income was primarily due to increases in commercial banking revenues of $5.4 million, largely driven by an increase in commercial customer interest rate swap fee income reflected in capital markets, an increase in wealth management of $2.7 million, due to an increase in assets under management, and an increase in the cash surrender value of bank owned life insurance agreements of $1.7 million, reflected in other non-interest income, partially offset by decreases in mortgage banking income of $3.8 million, mainly due to lower sales volumes and lower gains on sales margins, consumer banking income of $2.3 million, driven largely by decreases in overdraft fees, and a $1.8 million reduction in other non-interest income to reflect market valuation movement in certain of the Corporation's legacy commercial customer back-to-back interest rate swap transactions resulting from the transition from LIBOR to SOFR.

Non-Interest Expense

The following table presents the components of non-interest expense:

	2023	2022	Increase (Decrease) $	Increase (Decrease) %
	(dollars in thousands)			
Salaries and employee benefits	$ 376,795	$ 356,884	$ 19,911	5.6 %
Data processing and software	66,471	60,255	6,216	10.3
Net occupancy	58,019	56,195	1,824	3.2
Other outside services	45,149	37,152	7,997	21.5
FDIC insurance	25,565	12,547	13,018	103.8
Equipment	14,390	14,033	357	2.5
Marketing	9,004	6,885	2,119	30.8
Professional fees	8,392	9,123	(731)	(8.0)
Intangible amortization	2,944	1,731	1,213	70.1
Other	69,281	68,595	686	1.0
Subtotal	$ 676,010	$ 623,400	$ 52,610	8.4 %
FultonFirst implementation and asset disposals	3,197	—	3,197	N/M
Acquisition-related expenses	—	10,328	(10,328)	N/M
Total non-interest expense	$ 679,207	$ 633,728	$ 45,479	7.2 %

Non-interest expense in 2023 increased $45.5 million, or 7.2%, compared to 2022. Excluding acquisition-related expenses of $10.3 million in 2022 and FultonFirst initiatives of $3.2 million in 2023, non-interest expense increased $52.6 million, or 8.4%, in 2023 compared to 2022. The increase in noninterest expense, excluding acquisition-related expenses and FultonFirst initiatives, was primarily due to increases of $19.9 million in salaries and employee benefits expense, $13.0 million in FDIC insurance expense, primarily due to the adoption of a final rule to increase base deposit insurance assessment rates effective January 1, 2023, and the special assessment of $6.5 million charged to recover the loss to the DIF in connection with the closures of certain banks in 2023, $8.0 million in other outside services expense largely due to a number of corporate initiatives, $6.2 million in data processing and software expense due to ongoing investment in technology and customer growth and $2.1 million in marketing expense primarily due to a targeted customer deposit acquisition program and brand marketing campaigns. The $19.9 million increase in salaries and employee benefits expense was largely due to annual merit increases, an increase in the number of employees, higher healthcare claims expense and higher pension expense.

Income Taxes

Income tax expense for 2023 was $64.4 million, a $4.4 million increase compared to 2022. The ETR was 18.5% in 2023 compared to 17.3% in 2022. The increase in income tax expense in 2023 resulted primarily from the higher ETR. The ETR is generally lower than the federal statutory rate of 21% due to tax-exempt interest income earned on loans, investments in tax-free municipal securities and TCIs that generate tax credits under various federal programs.

FINANCIAL CONDITION

The table below presents condensed consolidated ending balance sheets:

	December 31,		Increase (Decrease)	
	2024	2023	$	%
	(dollars in thousands)			
Assets				
Cash and cash equivalents	**$ 1,063,871**	$ 549,710	$ 514,161	93.5 %
FRB and FHLB Stock	**139,574**	124,405	15,169	12.2
Loans held for sale	**25,618**	15,158	10,460	69.0
Investment securities	**4,806,468**	3,666,274	1,140,194	31.1
Net loans, less ACL - loans	**23,665,763**	21,057,690	2,608,073	12.4
Net premises and equipment	**195,527**	222,881	(27,354)	(12.3)
Goodwill and net intangible assets	**635,458**	560,687	74,771	13.3
Other assets	**1,539,531**	1,375,110	164,421	12.0
Total Assets	**$ 32,071,810**	$ 27,571,915	$ 4,499,895	16.3 %
Liabilities and Shareholders' Equity				
Deposits	**$ 26,129,433**	$ 21,537,623	$ 4,591,810	21.3 %
Borrowings	**1,782,048**	2,487,526	(705,478)	(28.4)
Other liabilities	**963,004**	786,627	176,377	22.4
Total Liabilities	**28,874,485**	24,811,776	4,062,709	16.4
Total Shareholders' Equity	**3,197,325**	2,760,139	437,186	15.8
Total Liabilities and Shareholders' Equity	**$ 32,071,810**	$ 27,571,915	$ 4,499,895	16.3 %

Investment Securities

The table below presents the carrying amount of investment securities:

	December 31,		Increase (Decrease)	
	2024	2023	$	%
	(dollars in thousands)			
Available for Sale				
U.S. Government securities	**$ —**	$ 42,161	$ (42,161)	N/M
U.S. Government-sponsored agency securities	**—**	1,010	(1,010)	N/M
State and municipal securities	**814,887**	1,072,013	(257,126)	(24.0)
Corporate debt securities	**300,370**	440,551	(140,181)	(31.8)
Collateralized mortgage obligations	**788,885**	111,434	677,451	N/M
Residential mortgage-backed securities	**989,875**	196,795	793,080	N/M
Commercial mortgage-backed securities	**516,882**	534,388	(17,506)	(3.3)
Total available for sale securities	**$ 3,410,899**	$ 2,398,352	$ 1,012,547	42.2 %
Held to Maturity				
Residential mortgage-backed securities	**$ 537,856**	$ 407,075	$ 130,781	32.1 %
Commercial mortgage-backed securities	**857,713**	860,847	(3,134)	(0.4)
Total held to maturity securities	**$ 1,395,569**	$ 1,267,922	$ 127,647	10.1 %
Total investment securities	**$ 4,806,468**	$ 3,666,274	$ 1,140,194	31.1 %

Compared to December 31, 2023, total AFS securities at December 31, 2024 increased $1.0 billion, or 42.2%. The increase in AFS securities at December 31, 2024 compared to December 31, 2023 was due to increases in residential mortgage-backed securities and collateralized mortgage obligations of $793.1 million and $677.5 million, respectively, partially offset by decreases in state and municipal securities and corporate debt securities of $257.1 million and $140.2 million, respectively.

Compared to December 31, 2023, total HTM securities at December 31, 2024 increased $127.6 million, or 10.1%. The increase in HTM securities at December 31, 2024 compared to December 31, 2023 was largely driven by an increase in residential mortgage-backed securities of $130.8 million.

Loans

The following table presents ending net loans outstanding, by type:

	December 31,		Increase (Decrease)	
	2024	2023	$	%
		(dollars in thousands)		
Real estate - commercial mortgage	**$ 9,601,858**	$ 8,127,728	$ 1,474,130	18.1 %
Commercial and industrial[1]	**4,605,589**	4,545,552	60,037	1.3
Real estate - residential mortgage	**6,349,643**	5,325,923	1,023,720	19.2
Real estate - home equity	**1,160,616**	1,047,184	113,432	10.8
Real estate - construction	**1,394,899**	1,239,075	155,824	12.6
Consumer	**616,856**	729,318	(112,462)	(15.4)
Leases and other loans[2]	**315,458**	336,314	(20,856)	(6.2)
Net loans	**$ 24,044,919**	$ 21,351,094	$ 2,693,825	12.6 %

(1) Includes no unearned income for December 31, 2024 and $41.0 thousand at December 31, 2023.
(2) Includes unearned income of $35.6 million and $38.0 million as of December 31, 2024 and 2023, respectively.

During 2024, net loans increased $2.7 billion, or 12.6%, compared to December 31, 2023. The increase in net loans during 2024 was primarily due to $2.4 billion of net loans acquired in the Republic First Transaction and outstanding as of December 31, 2024. The overall increase in net loans was largely due to increases in commercial mortgage loans and residential mortgage loans, of $1.5 billion and $1.0 billion, respectively.

The Corporation does not have a significant concentration of credit risk with any single borrower. As of December 31, 2024, approximately $11.0 billion, or 45.7%, of the loan portfolio was comprised of commercial mortgage loans and construction loans.

The Corporation has established lower total lending limits for certain types of commercial lending commitments and lower total lending limits based on the Corporation's internal risk rating of an individual borrower at the time the lending commitment is approved. The Corporation adheres to loan portfolio management practices, which include requiring an annual review of the majority of loans. Additionally, management monitors the loan portfolio throughout the year taking into account, among other things, the size, complexity and level risk of loans and individual borrowers. An independent loan review function assesses the portfolio for internal risk rating accuracy and loan servicing policy requirements. The Corporation consolidates risk migrations to identify emerging risks by industry and real estate property types, taking into consideration economic forecasts and industry trends. In 2024, the Corporation identified the office and multi-family commercial mortgage loan portfolios as posing heightened risks and consequently moderated the volume of new loan originations. The Corporation takes a risk-based approach when reviewing a specific loan portfolio, such as the office loan or multi-family loan portfolios. The Corporation reviews portfolio concentrations and adjusts the lending limits based on asset quality, economic forecasts and industry outlook.

The following table summarizes the industry concentrations within the commercial mortgage and the commercial and industrial loan portfolios:

	December 31,	
	2024	2023
Real estate[1]	**39.5 %**	46.6 %
Retail	**6.6**	3.3
Health care	**6.3**	6.6
Agriculture	**5.3**	5.6
Other services	**5.3**	4.5
Manufacturing	**5.1**	6.1
Construction[2]	**4.3**	4.1
Hospitality and food services	**4.0**	3.6
Wholesale trade	**3.4**	3.2
Educational services	**3.0**	2.9
Professional, scientific and technical services	**2.7**	2.2
Arts, entertainment and recreation	**2.4**	1.9
Finance and Insurance	**1.6**	1.3
Transportation and warehousing	**1.5**	1.7
Public administration	**1.3**	1.0
Administrative and Support	**1.2**	1.1
Other	**6.5**	4.3
Total	**100.0 %**	100.0 %

[1] Includes commercial loans to borrowers engaged in the business of: renting, leasing or managing real estate for others; selling and/or buying real estate for others; and appraising real estate.
[2] Includes commercial loans to borrowers engaged in the construction industry.

The commercial mortgage loan portfolio consists of 46% owner occupied commercial mortgage loans and 54% of non-owner occupied commercial mortgage loans as of December 31, 2024. The following table summarizes the non-owner occupied commercial mortgage loan portfolio and the percent to total net loans.

	December 31, 2024		December 31, 2023	
	$	**%**	$	%
	(dollars in thousands)			
Multi-family	**$ 1,543,943**	**6.4 %**	$ 1,147,612	5.4 %
Retail trade	**1,097,712**	**4.6**	893,029	4.2
Industrial	**829,354**	**3.4**	634,533	3.0
Office	**761,929**	**3.2**	640,403	3.0
Hospitality and food services	**470,907**	**2.0**	453,305	2.1
Other	**527,661**	**2.2**	498,122	2.3
Total non-owner occupied commercial mortgage loans	**$ 5,231,506**	**21.8 %**	$ 4,267,004	20.0 %

The following table summarizes the commercial mortgage office non-owner occupied loan portfolio outstanding balance, total commitment and LTV ratio by Metropolitan Statistical Area:

	December 31, 2024			December 31, 2023		
	Outstanding Balance	**Total Commitment**	**Weighted Average LTV [1]**	Outstanding Balance	Total Commitment	Weighted Average LTV [1]
	(dollars in thousands)					
Philadelphia[2]	**$ 339,164**	**$ 369,758**	**62 %**	$ 241,596	$ 247,395	56 %
New York[3]	**96,129**	**100,893**	**59**	60,149	62,565	71
Washington, D.C.[4]	**87,688**	**87,688**	**55**	97,270	97,847	56
Baltimore [5]	**75,318**	**76,453**	**58**	82,573	82,577	51
Other	**163,630**	**171,442**	**61**	158,815	161,533	61
Total office non-owner occupied commercial real estate	**$ 761,929**	**$ 806,234**	**60 %**	$ 640,403	$ 651,917	58 %

(1) Weighted Average LTV as of origination.
(2) Philadelphia-Camden-Wilmington, PA-NJ-DE-MD.
(3) New York-Newark-Jersey City, NY-NJ-PA.
(4) Washington-Arlington-Alexandria, DC-VA-MD-WV.
(5) Baltimore-Columbia-Towson, MD.

The commercial mortgage office non-owner occupied loan portfolio table above excludes commercial construction loans secured by office property collateral with a total outstanding balance of $52.5 million and outstanding loan commitment of $57.4 million as of December 31, 2024.

The following table summarizes the commercial mortgage multi-family non-owner occupied loan portfolio outstanding balance, total commitment and LTV ratio by Metropolitan Statistical Area:

	December 31, 2024			December 31, 2023		
	Outstanding Balance	**Total Commitment**	**Weighted Average LTV [1]**	Outstanding Balance	Total Commitment	Weighted Average LTV [1]
	(dollars in thousands)					
Philadelphia[2]	**$ 707,826**	**$ 738,256**	**62 %**	$ 467,749	$ 480,942	57 %
New York[3]	**124,321**	**130,238**	**64**	53,153	53,642	72
Baltimore[4]	**108,384**	**108,680**	**59**	54,675	54,879	56
Washington, D.C.[5]	**28,145**	**31,121**	**48**	87,020	92,483	51
Lancaster, PA	**135,891**	**146,593**	**69**	159,691	169,437	66
Other	**439,376**	**479,884**	**59**	325,324	361,693	65
Total multi-family non-owner occupied commercial real estate	**$ 1,543,943**	**$ 1,634,772**	**62 %**	$ 1,147,612	$ 1,213,076	59 %

(1) Weighted Average LTV as of origination.
(2) Philadelphia-Camden-Wilmington, PA-NJ-DE-MD.
(3) New York-Newark-Jersey City, NY-NJ-PA.
(4) Washington-Arlington-Alexandria, DC-VA-MD-WV.
(5) Baltimore-Columbia-Towson, MD.

The commercial mortgage multi-family non-owner occupied loan portfolio table above excludes commercial construction loans secured by multi-family property collateral with a total outstanding loan balance of $405.2 million and outstanding loan commitment of $693.4 million as of December 31, 2024.

The following table presents the changes in non-accrual loans for the years ended December 31:

	Commercial and Industrial	Real Estate - Commercial Mortgage	Real Estate - Construction	Real Estate - Residential Mortgage	Consumer and Real Estate - Home Equity	Leases and Other Loans	Total
	(dollars in thousands)						
Balance at December 31, 2022	$ 27,116	$ 70,161	$ 1,368	$ 26,294	$ 6,197	$ 13,307	$ 144,443
Additions	46,358	31,004	438	792	8,416	1,520	88,528
Payments	(24,276)	(38,296)	(465)	(1,881)	(2,245)	(554)	(67,717)
Charge-offs	(9,246)	(17,999)	—	(62)	(7,514)	(4,380)	(39,201)
Transfers to OREO	—	—	—	(1,793)	—	—	(1,793)
Transfers to accrual status	—	(65)	—	(2,526)	(49)	—	(2,640)
Balance at December 31, 2023	**39,952**	**44,805**	**1,341**	**20,824**	**4,805**	**9,893**	**121,620**
Additions	**70,700**	**94,887**	**1,406**	**11,067**	**15,066**	**7,759**	**200,885**
Payments	**(33,580)**	**(25,757)**	**(130)**	**(4,780)**	**(2,414)**	**(825)**	**(67,486)**
Charge-offs	**(26,585)**	**(13,186)**	**—**	**(1,472)**	**(8,490)**	**(4,696)**	**(54,429)**
Transfers to OREO	**(90)**	**(133)**	**(871)**	**(97)**	**(190)**	**—**	**(1,381)**
Transfers to accrual status	**(8,180)**	**(1,119)**	**—**	**(142)**	**(178)**	**(297)**	**(9,916)**
Balance at December 31, 2024	**$ 42,217**	**$ 99,497**	**$ 1,746**	**$ 25,400**	**$ 8,599**	**$ 11,834**	**$ 189,293**

During 2024, non-accrual loans increased $67.7 million, or 55.6%, largely due to additions to non-accrual loans, partially offset by payments and charge-offs. During 2024, non-accrual loans as a percentage of net loans increased to 0.79%, compared to 0.57% as of December 31, 2023.

The following table presents non-performing assets:

	December 31,		
	2024	2023	2022
	(dollars in thousands)		
Non-accrual loans[(1)(2)]	**$ 189,293**	$ 121,620	$ 144,443
Loans 90 days or more past due and still accruing[(2)]	**30,781**	31,721	27,463
Total non-performing loans and leases	**220,074**	153,341	171,906
OREO[(3)]	**2,621**	896	5,790
Total non-performing assets	**$ 222,695**	$ 154,237	$ 177,696
Non-accrual loans to total loans	**0.79 %**	0.57 %	0.71 %
Non-performing loans to total loans	**0.92 %**	0.72 %	0.85 %
Non-performing assets to total assets	**0.69 %**	0.56 %	0.66 %
ACL to non-performing loans	**172 %**	191 %	157 %

(1) The amount of interest income on non-accrual loans that was recognized in 2024, 2023 and 2022 was approximately $1.0 million, $1.5 million and $2.2 million, respectively.

(2) Accrual of interest is generally discontinued when a loan becomes 90 days past due. In certain cases a loan may be placed on non-accrual status prior to being 90 days delinquent if there is an indication that the borrower is having difficulty making payments or the Corporation believes it is probable that all amounts will not be collected according to the contractual terms of the agreement. When interest accruals are discontinued, unpaid interest previously credited to income is reversed. Non-accrual loans may be restored to accrual status when all delinquent principal and interest has been paid currently for six consecutive months or the loan is considered to be adequately secured and in the process of collection. Certain loans, primarily adequately collateralized residential mortgage loans, may continue to accrue interest after reaching 90 days past due.

(3) Excludes $17.5 million, $10.9 million and $6.0 million of residential mortgage properties for which formal foreclosure proceedings were in process as of December 31, 2024, 2023 and 2022, respectively.

The following table presents non-performing loans:

	December 31,		
	2024	2023	2022
	(dollars in thousands)		
Real estate - commercial mortgage	**$ 102,359**	$ 46,527	$ 72,634
Commercial and industrial	**43,677**	41,020	28,288
Real estate - residential mortgage	**45,901**	42,029	46,509
Real estate - home equity	**13,349**	10,079	8,809
Real estate - construction	**1,746**	2,876	1,368
Consumer	**1,025**	799	991
Leases and other loans	**12,017**	10,011	13,307
Total non-performing loans	**$ 220,074**	$ 153,341	$ 171,906
Non-performing loans to total loans	**0.92 %**	0.72 %	0.85 %

The following table presents the amortized cost basis of loans modified to borrowers experiencing financial difficulty:

	December 31,	
	2024	2023
	(dollars in thousands)	
Real estate - commercial mortgage	**$ 20,501**	$ 2,944
Commercial and industrial	**3,913**	11,970
Real estate - residential mortgage	**13,969**	9,092
Real estate - home equity	**379**	—
Real estate - construction	**595**	—
Total	**$ 39,357**	$ 24,006

There were no loans modified due to borrowers experiencing financial difficulty that defaulted during 2024.

The following table summarizes OREO, by property type:

	December 31,		
	2024	2023	2022
	(dollars in thousands)		
Commercial properties	**$ 1,888**	$ 165	$ 3,881
Residential properties	**733**	229	482
Undeveloped land	**—**	502	1,427
Total OREO	**$ 2,621**	$ 896	$ 5,790

The Corporation's ability to identify potential problem loans in a timely manner is important to maintaining an adequate ACL. For commercial and industrial loans, commercial mortgage loans and construction loans to commercial borrowers, an internal risk rating process is used to monitor credit quality. The evaluation of credit risk for residential mortgages, home equity loans, construction loans to individuals, consumer loans and leases and other loans is based on payment history through the monitoring of delinquency levels and trends.

Total internally risk-rated loans were $15.4 billion and $13.7 billion as of December 31, 2024 and 2023, respectively, of which $1.8 billion and $925.0 million were criticized and classified loans, respectively. The following table presents criticized and classified loans, or those with internal risk ratings of special mention or substandard or lower for commercial mortgages, commercial and industrial loans and construction loans to commercial borrowers, by class segment:

	Special Mention[1]		Increase (Decrease)		Substandard or Lower[2]		Increase (Decrease)		Total Criticized and Classified Loans	
	December 31,				December 31,				December 31,	
	2024	2023	$	%	**2024**	2023	$	%	**2024**	2023
	(dollars in thousands)									
Real estate - commercial mortgage	**$ 531,423**	$ 302,553	$ 228,870	75.6%	**$ 522,377**	$ 224,774	$ 297,603	132.4%	**$ 1,053,800**	$ 527,327
Commercial and industrial	**238,809**	135,837	102,972	75.8	**335,246**	196,500	138,746	70.6	**574,055**	332,337
Real estate - construction[3]	**161,310**	38,520	122,790	N/M	**47,183**	26,771	20,412	76.2	**208,493**	65,291
Total	**$ 931,542**	$ 476,910	$ 454,632	95.3%	**$ 904,806**	$ 448,045	$ 456,761	101.9%	**$ 1,836,348**	$ 924,955
% of total risk-rated loans	**6.1%**	3.5%			**5.9%**	3.3%			**11.9%**	6.8%

[1] Considered "criticized" loans by banking regulators.
[2] Considered "classified" loans by banking regulators.
[3] Excludes construction - other.

Total criticized and classified loans increased $911.4 million, or 98.5%, compared to December 31, 2023.

The increase of $454.6 million in special mention loans as of December 31, 2024 was primarily due to loans acquired in the Republic First Transaction with a balance of $350.4 million as of December 31, 2024. The increase of $456.8 million in substandard or lower loans as of December, 31, 2024 was partially due to loans acquired in the Republic First Transaction with a balance of $193.0 million as of December 31, 2024.

The following table presents, by class segment, a summary of delinquency status and rates, as a percentage of loans in each portfolio and in total, that do not have internal risk ratings:

	Delinquent[1]				Non-performing[2]				Total			
	December 31, 2024		December 31, 2023		**December 31, 2024**		December 31, 2023		**December 31, 2024**		December 31, 2023	
	$	%	$	%	$	%	$	%	$	%	$	%
	(dollars in thousands)											
Consumer and real estate - home equity	**$ 16,241**	**0.91 %**	$ 20,345	1.15 %	**$ 14,374**	**0.81 %**	$ 10,878	0.61 %	**$ 30,615**	**1.72 %**	$ 31,223	1.76 %
Real estate - residential mortgage	**65,539**	**1.03**	59,983	1.13	**45,901**	**0.72**	42,029	0.79	**111,440**	**1.76**	102,012	1.92
Real estate - construction	**5,302**	**2.42**	4,636	0.37	**1,406**	**0.64**	1,535	0.12	**6,708**	**3.06**	6,171	0.50
Leases and other loans	**374**	**0.12**	868	0.26	**12,017**	**3.81**	10,011	2.98	**12,391**	**3.93**	10,879	3.23
Total	**$ 87,456**	**1.01 %**	$ 85,832	0.99 %	**$ 73,698**	**0.85 %**	$ 64,453	0.74 %	**$ 161,154**	**1.86 %**	$ 150,285	1.74 %

[1] Includes accruing loans 30 days to 89 days past due.
[2] Includes accruing loans 90 days or more past due and non-accrual loans and leases.

Allowance for Credit Losses

The Corporation accounts for the credit risk associated with lending activities through the ACL and the provision for credit losses.

The following table presents the activity in the ACL:

	December 31, 2024	December 31, 2023	December 31, 2022
	(dollars in thousands)		
Net loans	**$ 24,044,919**	$ 21,351,094	$ 20,279,547
Average balance of net loans	**$ 23,145,114**	$ 20,929,302	$ 19,152,740
Balance of ACL at beginning of period	**$ 293,404**	$ 269,366	$ 249,001
CECL Day 1 Provision[1]	**23,444**	—	7,954
Initial purchased credit deteriorated loans	**54,631**	—	1,135
Loans charged off:			
Real estate - commercial mortgage	**(13,186)**	(17,999)	(12,473)
Commercial and industrial	**(26,585)**	(9,246)	(2,390)
Real estate - residential mortgage	**(1,472)**	(62)	(66)
Consumer and real estate - home equity	**(8,490)**	(7,514)	(4,412)
Real estate - construction	**—**	—	—
Leases and other loans	**(4,696)**	(4,380)	(2,131)
Total loans charged off	**(54,429)**	(39,201)	(21,472)
Recoveries of loans previously charged off:			
Real estate - commercial mortgage	**603**	1,076	3,860
Commercial and industrial	**4,440**	3,473	5,893
Real estate - residential mortgage	**472**	421	425
Consumer and real estate - home equity	**3,357**	3,198	2,581
Real estate - construction	**382**	858	574
Leases and other loans	**730**	1,103	759
Total recoveries	**9,984**	10,129	14,092
Net loans charged off (recoveries)	**(44,445)**	(29,072)	(7,380)
Provision for credit losses[1][2]	**52,122**	53,110	18,656
Balance of ACL at end of period	**$ 379,156**	$ 293,404	$ 269,366
Provision for OBS credit exposures[1]	**$ (3,930)**	$ 926	$ 1,411
Reserve for OBS credit exposures[3]	**$ 14,161**	$ 17,254	$ 16,328
Selected Asset Quality Ratios %:			
Net charge-offs to average loans	**0.19 %**	0.14 %	0.04 %
ACL - loans to total net loans	**1.58**	1.37	1.33
Non-performing assets[4] to total assets	**0.69**	0.56	0.66
Non-accrual loans to total net loans	**0.79**	0.57	0.71
ACL - loans to non-performing loans	**172**	191	157
ACL - loans to non-accrual loans	**200**	241	186

(1) These amounts are reflected in the provision for credit losses in the Consolidated Statements of Income.
(2) Provision for credit losses includes only the portion related to net loans.
(3) Reserve for OBS credit exposures is recorded within other liabilities on the Consolidated Balance Sheets.
(4) Includes accruing loans past due 90 days or more.

The provision for credit losses for 2024 was $71.6 million compared to a provision for credit losses of $54.0 million in 2023. The increase in the provision for credit losses was primarily driven by a $23.4 million CECL Day 1 Provision related to the Republic First Transaction in 2024. Additionally, included in the ACL as of December 31, 2024 was $54.6 million recorded for PCD Loans acquired in the Republic First Transaction.

The ACL includes qualitative adjustments, as appropriate, intended to capture the impact of uncertainties not reflected in the quantitative models. See "Note 5 - Loans and Allowance for Credit Losses" of the Notes to Consolidated Financial Statements for additional details.

The following table summarizes the allocation of the ACL - loans:

	December 31, 2024			December 31, 2023			December 31, 2022		
	ACL - loans	**% to Total ACL - loans[(1)]**	**% to Total Net Loans[(2)]**	ACL - loans	% to Total ACL - loans[(1)]	% to Total Net Loans[(2)]	ACL - loans	% to Total ACL - loans[(1)]	% to Total Net Loans[(2)]
	(dollars in thousands)								
Real estate - commercial mortgage	**$ 158,181**	**41.7 %**	**39.9 %**	$ 112,565	38.4 %	38.1 %	$ 69,456	25.8 %	37.9 %
Commercial and industrial	**92,212**	**24.3**	**19.2**	74,266	25.3	21.3	70,116	26.0	22.1
Real estate - residential mortgage	**81,331**	**21.5**	**26.4**	73,286	25.0	24.9	83,250	30.9	23.4
Consumer, home equity and leases and other loans	**22,292**	**5.9**	**8.7**	20,992	7.1	9.9	35,801	13.3	10.3
Real estate - construction	**25,140**	**6.6**	**5.8**	12,295	4.2	5.8	10,743	4.0	6.3
Total	**$ 379,156**	**100.0 %**	**100.0 %**	$ 293,404	100.0 %	100.0 %	$ 269,366	100.0 %	100.0 %

(1) Ending ACL - loan portfolio segment balance as a % of total ACL - loans.

(2) Ending loan portfolio segment balances as a % of total net loans for the periods presented.

Management believes that the $379.2 million ACL - loans as of December 31, 2024 is sufficient to cover expected credit losses in the loan portfolio.

Premises and Equipment

The $58.6 million decrease in land and buildings and improvements was primarily due to $73.5 million of asset disposals in the Sale-Leaseback Transaction, partially offset by $21.7 million of land and buildings and improvements purchased as part of the Republic First Transaction in the fourth quarter of 2024. The $73.5 million of premises and equipment disposals in the Sale-Leaseback Transaction included $42.5 million of related accumulated depreciation for a net disposal amount of $31.0 million.

Deposits and Borrowings

The following table presents ending deposits, by type:

	December 31,		Increase (Decrease)	
	2024	2023	$	%
	(dollars in thousands)			
Noninterest-bearing demand	**$ 5,499,760**	$ 5,314,094	$ 185,666	3.5 %
Interest-bearing demand	**7,843,604**	5,722,695	2,120,909	37.1
Savings and money market deposits	**7,792,114**	6,616,901	1,175,213	17.8
Total demand and savings	**21,135,478**	17,653,690	3,481,788	19.7
Brokered deposits	**843,857**	1,144,692	(300,835)	(26.3)
Time deposits	**4,150,098**	2,739,241	1,410,857	51.5
Total deposits	**$ 26,129,433**	$ 21,537,623	$ 4,591,810	21.3 %

During 2024, total deposits increased by $4.6 billion, or 21.3%, compared to December 31, 2023. The increase in total deposits was primarily due to $3.7 billion of total deposits assumed in the Republic First Transaction and outstanding as of December 31, 2024. Overall, the increase in total deposits was largely due to increases in interest-bearing demand deposits, time deposits and savings and money market deposits of $2.1 billion, $1.4 billion and $1.2 billion, respectively.

Total uninsured deposits (excluding intra-Company deposits) were estimated to be $9.4 billion and $7.2 billion at December 31, 2024 and December 31, 2023, respectively.

The following table presents ending borrowings, by type:

	December 31,		Increase (Decrease)	
	2024	2023	$	%
	(dollars in thousands)			
Federal funds purchased	**$ —**	$ 240,000	$ (240,000)	N/M
Federal Home Loan Bank advances	**850,000**	1,100,000	(250,000)	(22.7)
Senior debt and subordinated debt	**367,316**	535,384	(168,068)	(31.4)
Other borrowings[(1)]	**564,732**	612,142	(47,410)	(7.7)
Total borrowings	**$ 1,782,048**	$ 2,487,526	$ (705,478)	(28.4)%

(1) Includes repurchase agreements, short-term promissory notes and capital leases.

During 2024, total borrowings decreased $705.5 million, or 28.4%, compared to December 31, 2023. The decrease in total borrowings was primarily due to decreases in FHLB advances, federal funds purchased and senior debt and subordinated debt of $250.0 million, $240.0 million and $168.1 million, respectively.

In November 2024, the Corporation retired $168.8 million of subordinated notes issued in November 2014 and June 2015 which matured on November 15, 2024.

See "Note 10 - Borrowings" of the Notes to Consolidated Financial Statements for additional details.

Other Liabilities

During 2024, other liabilities increased $176.4 million, or 22.4%, compared to December 31, 2023, primarily due to increases in the operating lease liability due to the Sale-Leaseback Transaction, accrued expenses and as a result of affordable housing investments made in 2024.

Shareholders' Equity

During 2024, total shareholders' equity increased $437.2 million, or 15.8%, to $3.2 billion, or 10.0% of total assets, as of December 31, 2024. The increase in total shareholders' equity was largely due to net proceeds of $272.6 million related to the Corporation's underwritten public offering of 19,166,667 shares of its common stock at a price to the public of $15.00 per share, and $156.3 million in retained earnings. See "Note 15 - Shareholders' Equity" in the Notes to the Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data" for details of accumulated comprehensive loss.

<u>Regulatory Capital</u>

The Corporation and its wholly-owned subsidiary bank, Fulton Bank, are subject to the Capital Rules administered by banking regulators. Failure to meet minimum capital requirements can trigger certain actions by regulators that could have a material effect on the Corporation's financial statements.

The Capital Rules require the Corporation and Fulton Bank to:

- Meet a minimum Common Equity Tier 1 capital ratio of 4.50% of risk-weighted assets;
- Meet a minimum Tier 1 Leverage capital ratio of 4.00% of average assets;
- Meet a minimum Total capital ratio of 8.00% of risk-weighted assets and a minimum Tier 1 capital ratio of 6.00% of risk-weighted assets;
- Maintain a "capital conservation buffer" of 2.50% above the minimum risk-based capital requirements, which must be maintained to avoid restrictions on capital distributions and certain discretionary bonus payments; and
- Comply with a revised definition of capital to improve the ability of regulatory capital instruments to absorb losses. Certain non-qualifying capital instruments, including cumulative preferred stock and TruPS, are excluded as a component of Tier 1 capital for institutions of the Corporation's size.

As of December 31, 2024, the Corporation's capital levels met the minimum capital requirements, including the capital conservation buffers, as prescribed in the Capital Rules.

As of December 31, 2024, Fulton Bank met the well-capitalized requirements under the regulatory framework for prompt corrective action. To be categorized as well-capitalized, a bank must maintain minimum Total risk-based, Tier I risk-based, Common Equity Tier I risk-based and Tier I leverage ratios as set forth in the Capital Rules. There were no other conditions or events in 2024 that management believes have changed the Corporation's capital categories.

The following table summarizes the Corporation's capital ratios in comparison to regulatory requirements:

	December 31, 2024	December 31, 2023	Regulatory Minimum for Capital Adequacy	With Capital Conservation Buffers
Total Risk-Based Capital (to Risk-Weighted Assets)	**14.3%**	14.0%	8.0%	10.5%
Tier I Risk-Based Capital (to Risk-Weighted Assets)	**11.5%**	11.2%	6.0%	8.5%
Common Equity Tier I (to Risk-Weighted Assets)	**10.8%**	10.3%	4.5%	7.0%
Tier I Leverage Capital (to Average Assets)	**9.0%**	9.5%	4.0%	4.0%

Contractual Obligations and Off-Balance Sheet Arrangements

The Corporation has various financial obligations that require future cash payments. These obligations include payments for liabilities recorded on the Corporation's consolidated balance sheets as well as contractual obligations for purchased services.

Contractual purchase obligations to third parties that were fixed and determinable of approximately $72.4 million and $124.6 million at December 31, 2024 and 2023, respectively, include information technology, telecommunication and data processing outsourcing contracts. The decrease is primarily due to contract changes to annual renewals.

The following table summarizes the contractual purchase obligations for each of the next five years (dollars in thousands):

Year	
2025	$ 28,062
2026	25,392
2027	7,365
2028	6,713
2029	4,835
Total	$ 72,367

The Corporation is a party to financial instruments with OBS risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby and commercial letters of credit, which involve, to varying degrees, elements of credit and interest rate risk that are not recognized on the consolidated balance sheets. Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Standby letters of credit are conditional commitments issued to guarantee the financial or performance obligation of a customer to a third party. Commercial letters of credit are conditional commitments issued to facilitate foreign or domestic trade transactions for customers. Commitments and standby and commercial letters of credit do not necessarily represent future cash needs, as they may expire without being drawn.

The following table presents the Corporation's commitments to extend credit and letters of credit as of December 31, 2024 (dollars in thousands):

Commercial and industrial	$	4,967,334
Real estate - commercial mortgage and real estate - construction		1,706,879
Real estate - home equity		2,154,382
Total commitments to extend credit	$	8,828,595
Standby letters of credit	$	279,309
Commercial letters of credit		48,993
Total letters of credit	$	328,302

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the exposure to economic loss that arises from changes in the values of certain financial instruments. The types of market risk exposures generally faced by financial institutions include interest rate risk, equity market price risk, debt security market price risk, foreign currency price risk and commodity price risk. Due to the nature of its operations, foreign currency price risk and commodity price risk are not significant to the Corporation.

Interest Rate Risk, Asset/Liability Management and Liquidity

Interest rate risk creates exposure in two primary areas. First, changes in rates have an impact on the Corporation's liquidity position and could affect its ability to meet obligations and continue to grow. Second, movements in interest rates can create fluctuations in the Corporation's net interest income and changes in its economic value of its equity.

The Corporation employs various management techniques to minimize its exposure to interest rate risk. The Corporation's ALCO is responsible for reviewing the interest rate sensitivity and liquidity positions of the Corporation, approving asset and liability management policies, and overseeing the formulation and implementation of strategies regarding balance sheet positions.

The Corporation uses two complementary methods to measure and manage interest rate risk. They are a simulation of net interest income and estimates of economic value of equity. Using these measurements in tandem provides a reasonably comprehensive summary of the magnitude of the Corporation's interest rate risk, level of risk as time evolves, and exposure to changes in interest rates.

Simulation of net interest income is performed for the next 12-month period. A variety of interest rate scenarios are used to measure the effects of sudden and gradual movements upward and downward in the yield curve. These results are compared to the results obtained in a flat or unchanged interest rate scenario. Simulation of net interest income is used primarily to measure the Corporation's short-term earnings exposure to rate movements. The Corporation's policy limits the potential exposure of net interest income, in a non-parallel instantaneous shock, to 10% of the base case net interest income for a 100 bps shock in interest rates, 15% for a 200 bps shock, 20% for a 300 bps shock and 25% for a 400 bps shock. A "shock" is an immediate upward or downward movement of interest rates. The shocks do not take into account changes in customer behavior that could result in changes to mix and/or volumes in the balance sheet, nor does it take into account the potential effects of competition on the pricing of deposits and loans over the forward 12-month period.

Contractual maturities and repricing opportunities of loans are incorporated in the simulation model as are prepayment assumptions, maturity data and call options within the investment portfolio. Assumptions based on past experience are incorporated into the model for non-maturity deposit accounts. The assumptions used are inherently uncertain and, as a result, the model cannot precisely measure future net interest income or precisely predict the impact of fluctuations in market interest rates on net interest income. Actual results will differ from the model's simulated results due to timing, amount and frequency of interest rate changes as well as changes in market conditions and the application and timing of various management strategies.

The following table summarizes the expected impact of interest rate changes in rate-ramp scenarios over a 12-month period, that is, a gradual non-parallel shift, on net interest income as of December 31, 2024:

Rate Ramp[1]	Annual change in net interest income	% change in net interest income
+400 bp	+ $29.4 million	+2.6%
+300 bp	+ $25.0 million	+2.2%
+200 bp	+ $19.2 million	+1.7%
+100 bp	+ $11.8 million	+1.1%
–100 bp	- $7.3 million	-0.7%
–200 bp	- $14.3 million	-1.3%
–300 bp	- $21.4 million	-1.9%
–400 bp	- $29.0 million	-2.6%

[1] These results include the effect of implicit and explicit interest rate floors that limit further reduction in interest rates.

The following table summarizes the expected impact of abrupt interest rate changes, i.e. a non-parallel instantaneous shock, on net interest income as of December 31, 2024:

Rate Shock[(1)]	Annual change in net interest income	% Change in net interest income
+400 bp	+$46.6 million	+4.2%
+300 bp	+ $41.1 million	+ 3.7%
+200 bp	+ $35.3 million	+ 3.2%
+100 bp	+ $27.4 million	+ 2.5%
-100 bp	- $18.7 million	- 1.7%
-200 bp	- $32.6 million	- 2.9%
-300 bp	- $49.3 million	- 4.4%
-400 bp	- $66.4 million	-6.0%

(1) These results include the effect of implicit and explicit interest rate floors that limit further reduction in interest rates.

Economic value of equity estimates the discounted present value of asset and liability cash flows. Discount rates are based upon market prices for like assets and liabilities. Abrupt changes or "shocks" in interest rates, both upward and downward, are used to determine the comparative effect of such interest rate movements relative to the unchanged environment. This measurement tool is used primarily to evaluate the longer-term repricing risks and options in the Corporation's balance sheet. The Corporation's policy limits the economic value of equity that may be at risk, in a non-parallel instantaneous shock, to 10% of the base case economic value of equity for a 100 bps shock in interest rates, 20% for a 200 bps shock, 30% for a 300 bps shock and 40% for a 400 bps shock. As of December 31, 2024, the Corporation was within economic value of equity policy limits for every 100 bps shock.

Interest Rate Derivatives

The Corporation enters into interest rate derivatives with certain qualifying commercial loan customers to meet their interest rate risk management needs. The Corporation simultaneously enters into interest rate derivatives with dealer counterparties, with identical notional amounts and terms. The net result of these interest rate derivatives is that the customer pays a fixed rate of interest and the Corporation receives a floating rate. These interest rate derivatives are derivative financial instruments, and the gross fair values are recorded in other assets and liabilities on the consolidated balance sheets.

Cash Flow Hedges

The Corporation's objectives in using interest rate derivatives are to reduce volatility in net interest income and net interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Corporation primarily uses interest rate derivatives as part of its interest rate risk management strategy. The Corporation enters into interest rate derivatives designated as cash flow hedges to hedge the variable cash flows associated with existing floating rate loans and borrowings.

For derivatives designated and that qualify as cash flow hedges of interest rate risk, the unrealized gain or loss on the derivative is recorded in AOCI and subsequently reclassified into interest income or interest expense in the same period during which the hedged transaction affects earnings. Amounts reported in AOCI related to derivatives will be reclassified to interest income or interest expense as interest payments are made on the Corporation's loans or borrowings.

On October 10, 2024, the Corporation terminated interest rate derivatives designated as cash flow hedges with a combined notional amount of $250 million. As the hedged transaction continues to be probable, the unrealized losses will be recorded in AOCI and will be recognized as an increase to interest expense when the previously forecasted hedged items affects earnings in future periods. During the year ended December 31, 2024, $0.2 million of these unrealized losses have been reclassified as an increase to interest expense on borrowings, on the consolidated statements of income.

In January 2023, the Corporation terminated interest rate derivatives designated as cash flow hedges with a combined notional amount of $1.0 billion. As the hedged transaction continues to be probable, the unrealized losses that have been recorded in AOCI will be recognized as reduction to interest income, including fees, when the previously forecasted hedged item affects earnings in future periods. During the years ended December 31, 2024 and 2023, $27.9 million and $22.1 million, respectively, of these unrealized losses have been reclassified as a reduction of interest income on loans, including fees, on the consolidated statements of income.

In the fourth quarter of 2024, the Corporation executed $900.0 million of receive fixed, pay floating interest rate derivatives that qualify as cash flow hedges of interest rate risk to manage the Corporation's exposure to interest rate movements.

Liquidity

The Corporation must maintain a sufficient level of liquid assets to meet the cash needs of its customers, who, as depositors, may want to withdraw funds or who, as borrowers, need credit availability. Liquidity is provided on a continuous basis through scheduled and unscheduled principal and interest payments on investments and outstanding loans and through the availability of deposits and borrowings. The Corporation also maintains secondary sources that provide liquidity on a secured and unsecured basis to meet short- and long-term needs.

The Corporation maintains liquidity sources in the form of interest-bearing deposits and customer funding (short-term promissory notes). The Corporation can access additional liquidity from these sources, if necessary, by increasing the rates of interest paid on those instruments. The positive impact to liquidity resulting from paying higher interest rates could have a detrimental impact on NIM and net interest income if rates on interest-earning assets do not experience a proportionate increase. Borrowing availability with the FHLB and the FRB, along with federal funds lines at various correspondent banks, provides the Corporation with additional liquidity.

Fulton Bank is a member of the FHLB and has access to FHLB overnight and term credit facilities. As of December 31, 2024, the Bank had total borrowing capacity of approximately $11.1 billion with $5.1 billion of advances and letters of credit outstanding, for a remaining available borrowing capacity of approximately $6.0 billion. Advances from the FHLB, when utilized, are secured by qualifying commercial real estate and residential mortgage loans, investments and other assets.

As of December 31, 2024, the Corporation had aggregate federal funds lines borrowing capacity of $2.6 billion with no amounts outstanding against that amount. As of December 31, 2024, the Corporation had $3.1 billion of collateralized borrowing capacity at the FRB discount window with no amounts outstanding and had no borrowings drawn against the Bank Term Funding Program facility, which expired March 11, 2024.

A combination of commercial real estate loans, commercial loans, consumer loans and securities are pledged to the FRB of Philadelphia to provide access to FRB discount window borrowings. Securities carried at $0.3 billion at December 31, 2024 and $0.4 billion at December 31, 2023 were pledged as collateral to secure public and trust deposits.

The Corporation has commitments to extend credit and letters of credit. As of December 31, 2024, the balance of commitments to extend credit was $8.8 billion and total letters of credit were $0.3 billion.

Liquidity must also be managed at the Parent Company level. For safety and soundness reasons, banking regulations limit the amount of cash that can be transferred from subsidiary banks to the parent company in the form of loans and dividends. Generally, these limitations are based on the subsidiary banks' regulatory capital levels and their net income. Management continues to monitor the liquidity and capital needs of the Parent Company including monitoring the granularity of the deposit portfolio and level of uninsured deposits. Management will implement appropriate strategies, as necessary, to remain adequately capitalized and to meet its cash needs.

The consolidated statements of cash flows provide additional information. The Corporation's operating activities during 2024 generated $416.6 million of cash, mainly due to net income of $288.7 million. Cash provided in investing activities was $1.6 billion, primarily due to $1.0 billion of net cash received for acquisitions in the Republic First Transaction. Net cash used by financing activities was $1.5 billion, due largely to $2.1 billion in repayment of borrowings.

The following table presents the expected maturities of government, state and municipal and corporate AFS investment securities, at estimated fair value, as of December 31, 2024 and the weighted average yields on such securities (calculated based on historical cost):

	Maturing							
	Within One Year		After One But Within Five Years		After Five But Within Ten Years		After Ten Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
Available for sale	(dollars in thousands)							
State and municipal[(1)]	$ 969	6.10%	$ —	—%	$ 111,762	3.88%	$ 702,156	3.85%
Corporate debt securities	14,564	3.52	102,912	5.54	182,894	4.53	—	—
Total	$ 15,533	3.68 %	$ 102,912	5.54 %	$ 294,656	4.28 %	$ 702,156	3.85 %

(1) Weighted average yields on tax-exempt securities have been computed on a FTE basis assuming a federal tax rate of 21% and statutory interest expense disallowances.

The Corporation's investment portfolio consists mainly of state and municipal securities, commercial mortgage-backed securities, residential mortgage-backed securities, corporate debt securities and collateralized mortgage obligations. Commercial mortgage-backed securities, residential mortgage-backed securities and collateralized mortgage obligations have stated maturities that may differ from actual maturities due to borrowers' ability to prepay obligations. Cash flows from such investments are dependent upon the performance of the underlying mortgage loans and are generally influenced by the level of interest rates. As rates increase, cash flows generally decrease as prepayments on the underlying mortgage loans decrease. As rates decrease, cash flows generally increase as prepayments increase.

The following table presents AFS residential mortgage-backed securities, commercial mortgage-backed securities and collateralized mortgage obligations, at estimated fair value, and HTM residential mortgage-backed securities and commercial mortgage-backed securities, at amortized cost, as of December 31, 2024, without stated maturities, including the weighted average yields and estimated weighted average lives based on prepayment speeds on such securities:

	Amount	Yield	Weighted Average Life
	(dollars in thousands)		(in years)
Available for sale			
Residential mortgage-backed securities	$ 989,875	4.94 %	8.7
Commercial mortgage-backed securities	516,882	2.70	4.2
Collateralized mortgage obligations	788,885	5.15	2.1
Held to maturity			
Residential mortgage-backed securities	$ 537,856	3.13 %	9.2
Commercial mortgage-backed securities	857,713	1.52	5.7

The following table presents the contractual maturities of fixed rate loans and loan types subject to changes in interest rates as of December 31, 2024:

	One Year or Less	After One Through Five Years	After Five Through Fifteen Years	After 15 Years	Total
			(dollars in thousands)		
Commercial and industrial:					
Adjustable and floating rate	$ 1,160,844	$ 2,177,388	$ 320,385	$ 5,586	$ 3,664,203
Fixed rate	387,190	509,344	44,001	851	941,386
Total commercial and industrial	1,548,034	2,686,732	364,386	6,437	4,605,589
Real estate - mortgage(1):					
Adjustable and floating rate	2,591,921	5,341,646	2,615,788	277,102	10,826,457
Fixed rate	1,288,523	2,412,596	1,866,083	718,458	6,285,660
Total real estate - mortgage(1)	3,880,444	7,754,242	4,481,871	995,560	17,112,117
Real estate - construction:					
Adjustable and floating rate	480,495	500,384	69,595	1,692	1,052,166
Fixed rate	254,477	84,382	3,874	—	342,733
Total real estate - construction	734,972	584,766	73,469	1,692	1,394,899
Consumer, leases and other:					
Adjustable and floating rate	12,599	57,746	166	—	70,511
Fixed rate	265,592	505,255	123,130	3,430	897,407
Total consumer, leases and other	278,191	563,001	123,296	3,430	967,918
Unearned income	—	(35,604)	—	—	(35,604)
Total	$ 6,441,641	$ 11,553,137	$ 5,043,022	$ 1,007,119	$ 24,044,919

(1) Includes commercial and residential mortgages and home equity loans.

Contractual maturities of time deposits as of December 31, 2024 were as follows (dollars in thousands):

Year	
2025	$ 3,801,297
2026	242,638
2027	40,071
2028	10,130
2029	11,908
Thereafter	44,054
Total	$ 4,150,098

Contractual maturities of the portion of time deposits estimated to be in excess of the FDIC insurance limit as of December 31, 2024 included in the table above, were as follows (dollars in thousands):

Three months or less	$ 121,877
Over three through six months	108,934
Over six through twelve months	194,862
Over twelve months	13,867
Total	$ 439,540

Total uninsured deposits (excluding intra-Company deposits) were estimated to be $9.4 billion at December 31, 2024 compared with $7.2 billion at December 31, 2023.

Debt Security Market Price Risk

Debt security market price risk is the risk that changes in the values of debt securities, unrelated to interest rate changes, could have a material impact on the financial position or results of operations of the Corporation. The Corporation's debt security investments consist primarily of U.S. government-sponsored agency issued mortgage-backed securities and collateralized mortgage obligations, state and municipal securities, and corporate debt securities. All of the Corporation's investments in mortgage-backed securities and collateralized mortgage obligations have principal payments that are guaranteed by U.S. government-sponsored agencies.

State and Municipal Securities

As of December 31, 2024, the Corporation owned securities issued by various states and municipalities with a total fair value of $0.8 billion. Uncertainty with respect to the financial strength of state and municipal bond insurers places emphasis on the underlying strength of issuers. Pressure on local tax revenues of issuers due to adverse economic conditions could have an adverse impact on the underlying credit quality of issuers. The Corporation evaluates existing and potential holdings primarily based on the underlying creditworthiness of the issuing state or municipality and then, to a lesser extent, on any credit enhancement. State and municipal securities can be supported by the general obligation of the issuing state or municipality, allowing the securities to be repaid by any means available to the issuing state or municipality. As of December 31, 2024, approximately 100% of state and municipal securities were supported by the general obligation of corresponding states or municipalities. Approximately 74% of these securities were school district issuances, which are also supported by the states of the issuing municipalities.

Item 8. Financial Statements and Supplementary Data

CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except per-share data)

	December 31, 2024	December 31, 2023
ASSETS		
Cash and due from banks	**$ 279,041**	$ 300,343
Interest-bearing deposits with other banks	**784,830**	249,367
Cash and Cash Equivalents	**1,063,871**	549,710
FRB and FHLB stock	**139,574**	124,405
Loans held for sale	**25,618**	15,158
Investment securities:		
AFS, at estimated fair value	**3,410,899**	2,398,352
HTM, at amortized cost	**1,395,569**	1,267,922
Net loans	**24,044,919**	21,351,094
Less: ACL - loans	**(379,156)**	(293,404)
Loans, Net	**23,665,763**	21,057,690
Net premises and equipment	**195,527**	222,881
Accrued interest receivable	**117,029**	107,972
Goodwill and net intangible assets	**635,458**	560,687
Other assets	**1,422,502**	1,267,138
Total Assets	**$ 32,071,810**	$ 27,571,915
LIABILITIES		
Deposits:		
Noninterest-bearing	**$ 5,499,760**	$ 5,314,094
Interest-bearing	**20,629,673**	16,223,529
Total Deposits	**26,129,433**	21,537,623
Borrowings:		
Federal funds purchased	—	240,000
FHLB advances	**850,000**	1,100,000
Senior debt and subordinated debt	**367,316**	535,384
Other borrowings and interest-bearing liabilities	**564,732**	612,142
Total Borrowings	**1,782,048**	2,487,526
Accrued interest payable	**31,620**	35,083
Other liabilities	**931,384**	751,544
Total Liabilities	**28,874,485**	24,811,776
SHAREHOLDERS' EQUITY		
Preferred stock, no par value, 10,000,000 shares authorized, Series A, 200,000 shares issued as of December 31, 2024 and 2023, liquidation preference of $1,000 per share	**192,878**	192,878
Common stock, $2.50 par value, 600,000,000 shares authorized, 245,946,392 shares issued as of December 31, 2024 and 225,760,963 issued as of December 31, 2023	**614,866**	564,402
Additional paid-in capital	**1,789,214**	1,552,860
Retained earnings	**1,775,620**	1,619,300
Accumulated other comprehensive loss	**(287,819)**	(312,280)
Treasury stock, at cost, 63,857,567 shares in 2024 and 61,959,552 shares in 2023	**(887,434)**	(857,021)
Total Shareholders' Equity	**3,197,325**	2,760,139
Total Liabilities and Shareholders' Equity	**$ 32,071,810**	$ 27,571,915

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF INCOME

(dollars in thousands, except per-share data)

	2024	2023	2022
Interest Income			
Loans, including fees	**$1,394,969**	$1,156,373	$ 758,609
Investment securities	**136,650**	101,518	98,115
Other interest income	**50,577**	15,345	8,114
Total Interest Income	**1,582,196**	1,273,236	864,838
Interest Expense			
Deposits	**521,859**	292,205	43,829
Federal funds purchased	**2,881**	30,417	2,967
FHLB advances	**37,793**	46,965	7,334
Senior debt and subordinated debt	**20,255**	21,361	22,257
Other borrowings and interest-bearing liabilities	**39,083**	28,002	6,817
Total Interest Expense	**621,871**	418,950	83,204
Net Interest Income	**960,325**	854,286	781,634
Provision for credit losses	**71,636**	54,036	28,021
Net Interest Income After Provision for Credit Losses	**888,689**	800,250	753,613
Non-Interest Income			
Commercial banking	**84,982**	81,160	75,779
Wealth management	**84,743**	75,541	72,843
Consumer banking	**55,504**	47,197	49,496
Mortgage banking	**13,943**	10,388	14,204
Gain on acquisition, net of tax	**36,996**	—	—
Other	**19,846**	14,125	14,835
Non-Interest Income Before Investment Securities Gains (Losses), Net	**296,014**	228,411	227,157
Investment securities gains (losses), net	**(20,283)**	(733)	(27)
Total Non-Interest Income	**275,731**	227,678	227,130
Non-Interest Expense			
Salaries and employee benefits	**432,821**	377,417	356,884
Data processing and software	**77,882**	66,471	60,255
Net occupancy	**69,359**	58,019	56,195
Other outside services	**60,586**	47,724	37,152
FDIC insurance	**23,829**	25,565	12,547
Equipment	**17,850**	14,390	14,033
Intangible amortization	**17,830**	2,944	1,731
Professional fees	**10,857**	8,392	9,123
Marketing	**8,958**	9,004	6,885
Acquisition-related expenses	**37,635**	—	10,328
Other	**62,184**	69,281	68,595
Total Non-Interest Expense	**819,791**	679,207	633,728
Income Before Income Taxes	**344,629**	348,721	347,015
Income taxes	**55,886**	64,441	60,034
Net Income	**288,743**	284,280	286,981
Preferred stock dividends	**(10,248)**	(10,248)	(10,248)
Net Income Available to Common Shareholders	**$ 278,495**	$ 274,032	$ 276,733
PER SHARE:			
Net income available to common shareholders (basic)	**$ 1.59**	$ 1.66	$ 1.69
Net income available to common shareholders (diluted)	**1.57**	1.64	1.67
Cash dividends	**0.69**	0.64	0.66

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(dollars in thousands)

	2024	2023	2022
Net Income	**$ 288,743**	$ 284,280	$ 286,981
Other comprehensive income (loss), net of tax:			
Unrealized gains (losses) on AFS investment securities:			
Net unrealized holding gains (losses)	**(22,425)**	36,023	(312,169)
Reclassification adjustment for securities net change realized in net income	**15,689**	(567)	(20)
Amortization of net unrealized gains (losses) on AFS securities transferred to HTM	**5,609**	5,913	(44,483)
Net Unrealized Gains (Losses) on AFS Investment Securities	**(1,127)**	41,369	(356,672)
Unrealized gains (losses) on interest rate derivatives used in cash flow hedges:			
Net unrealized holding gains (losses)	**590**	6,998	(62,963)
Reclassification adjustment for net change realized in net income	**18,141**	19,995	6,004
Net Unrealized Gains (Losses) on Interest Rate Derivatives Used in Cash Flow Hedges	**18,731**	26,993	(56,959)
Defined benefit pension plan and postretirement benefits:			
Unrecognized pension and postretirement income (cost)	**7,279**	4,777	644
Amortization of net unrecognized pension and postretirement income (loss)	**(422)**	57	100
Net Unrealized Gains (Losses) on Defined Benefit Pension and Postretirement Plans	**6,857**	4,834	744
Other Comprehensive Income (Loss), Net of Tax	**24,461**	73,196	(412,887)
Total Comprehensive Income	**$ 313,204**	$ 357,476	$ (125,906)

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in thousands, except per share data)

	Preferred Stock		Common Stock						
	Shares Outstanding	Amount	Shares Outstanding	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total
Balance at December 31, 2021	200	$192,878	160,490	$559,766	$1,519,873	$1,282,383	$ 27,411	$ (869,631)	$ 2,712,680
Net income						286,981			286,981
Other comprehensive loss							(412,887)		(412,887)
Common stock issued[1]			261	653	3,677				4,330
Dividend reinvestment activity			362		85			5,149	5,234
Reissuance of treasury stock pursuant to acquisition			6,209		4,547			85,166	89,713
Stock-based compensation awards (repurchases)			277	1,092	13,658			(2,438)	12,312
Preferred stock dividend						(10,248)			(10,248)
Common stock dividends - $0.66 per share						(108,358)			(108,358)
Balance at December 31, 2022	200	192,878	167,599	561,511	1,541,840	1,450,758	(385,476)	(781,754)	2,579,757
Net income						284,280			284,280
Other comprehensive income							73,196		73,196
Common stock issued[1]			231	578	2,548			34	3,160
Dividend reinvestment activity			408		(132)			5,691	5,559
Stock-based compensation awards (repurchases)			592	2,313	8,604			(3,936)	6,981
Acquisition of treasury stock			(5,029)					(77,056)	(77,056)
Preferred stock dividend						(10,248)			(10,248)
Common stock dividends - $0.64 per share						(105,490)			(105,490)
Balance at December 31, 2023	**200**	**192,878**	**163,801**	**564,402**	**1,552,860**	**1,619,300**	**(312,280)**	**(857,021)**	**2,760,139**
Net income						**288,743**			**288,743**
Other comprehensive income							**24,461**		**24,461**
Common stock issued[2]			**19,339**	**48,348**	**227,052**			**12**	**275,412**
Dividend reinvestment activity			**322**		**902**			**4,753**	**5,655**
Stock-based compensation awards (repurchases)			**561**	**2,116**	**8,400**			**(4,830)**	**5,686**
Acquisition of treasury stock			**(1,934)**					**(30,348)**	**(30,348)**
Preferred stock dividend						**(10,248)**			**(10,248)**
Common stock dividends - $0.69 per share						**(122,175)**			**(122,175)**
Balance at December 31, 2024	**200**	**$192,878**	**182,089**	**$614,866**	**$1,789,214**	**$1,775,620**	**$ (287,819)**	**$ (887,434)**	**$ 3,197,325**

[1] Issuance of common stock includes issuance in connection with the Corporation's ESPP and exercised stock options.

[2] Issuance of common stock includes the issuance of 19,166,667 shares of common stock in an underwritten public offering that closed on May 1, 2024, issuance in connection with the Corporation’s ESPP and exercised stock options.

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

(dollars in thousands)

	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	**$ 288,743**	$ 284,280	$ 286,981
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for credit losses	**71,636**	54,036	28,021
Depreciation and amortization of premises and equipment	**39,164**	30,055	30,201
Net amortization of investment securities premiums	**764**	11,231	12,824
Net accretion of loan discounts	**(38,748)**	—	—
Investment securities losses, net	**20,283**	733	27
Gain on sales of mortgage loans held for sale	**(8,186)**	(5,094)	(8,816)
Proceeds from sales of mortgage loans held for sale	**547,691**	363,406	455,607
Originations of mortgage loans held for sale	**(549,965)**	(366,206)	(418,287)
Intangible amortization	**17,830**	2,944	1,731
Amortization of issuance costs and discounts on long-term borrowings	**710**	750	724
Gain on acquisition, net of tax	**(36,996)**	—	—
Gain on disposal of premises and equipment	**(30)**	—	—
Gain on Sale-Leaseback Transaction	**(20,266)**	—	—
Stock-based compensation	**10,516**	12,540	14,000
Net change in deferred income tax	**(23,187)**	24,666	(117,849)
Net change in accrued salaries and benefits	**19,463**	(5,868)	12,826
Net change in life insurance cash surrender value	**(19,872)**	(27,664)	(95,702)
Other changes, net	**97,015**	(16,825)	392,503
Total adjustments	**127,822**	78,704	307,810
Net Cash Provided by Operating Activities	**416,565**	362,984	594,791
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales of AFS securities	**2,300,487**	213,424	196,411
Proceeds from principal repayments and maturities of AFS securities	**334,405**	149,211	583,444
Proceeds from principal repayments and maturities of HTM securities	**56,455**	59,685	109,759
Purchase of AFS securities	**(1,744,778)**	(79,053)	(845,744)
Purchase of HTM securities	**(177,947)**	—	(30,959)
Net change in FRB and FHLB stock	**22,762**	5,781	(72,551)
Net change in loans	**(149,081)**	(1,100,816)	(1,407,289)
Net purchases of premises and equipment	**(42,453)**	(32,958)	(21,246)
Settlement of bank owned life insurance	**2,687**	2,264	3,474
Proceeds from Sale-Leaseback Transaction	**51,123**	—	—
Net cash received (paid) for acquisitions	**1,018,371**	—	(21,811)
Net change in tax credit investments	**(42,699)**	(26,753)	(29,071)
Net Cash Provided by (Used in) Investing Activities	**1,629,332**	(809,215)	(1,535,583)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net change in demand and savings deposits	**478,593**	(1,198,222)	(1,198,319)
Net change in time deposits and brokered deposits	**1,074**	2,086,307	(257,823)
Net change in other borrowings	**(1,951,161)**	(379,431)	1,629,870
Repayments of senior debt and subordinated debt	**(168,778)**	(5,000)	(81,496)
Net proceeds from common stock	**270,582**	3,160	7,876
Dividends paid	**(131,698)**	(115,738)	(116,009)
Acquisition of treasury stock	**(30,348)**	(77,056)	—
Net Cash (Used in) Provided by Financing Activities	**(1,531,736)**	314,020	(15,901)
Net increase (decrease) in Cash and Cash Equivalents	**514,161**	(132,211)	(956,693)
Cash and Cash Equivalents at Beginning of Period	**549,710**	681,921	1,638,614
Cash and Cash Equivalents at End of Period	**$ 1,063,871**	$ 549,710	$ 681,921
Supplemental Disclosures of Cash Flow Information:			
Cash paid during the period for:			
Interest	**$ 658,778**	$ 394,052	$ 80,019
Income taxes	**29,116**	25,319	32,669

Supplemental Schedule of Certain Noncash Activities:			
Transfer of AFS securities to HTM securities	**$ —**	$ —	$ 479,008
Fair value of tangible assets acquired	4,707,290	—	—
Intangible assets	92,600	—	—
Liabilities assumed	5,561,979	—	—
PCD Loans credit discount	54,631	—	—

See Notes to Consolidated Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business: The Corporation is a financial holding company that provides a full range of banking and financial services to businesses and consumers through its wholly-owned banking subsidiary, Fulton Bank. In addition, the Parent Company owns the following non-bank subsidiaries: Fulton Financial Realty Company, Central Pennsylvania Financial Corp., FFC Penn Square, Inc., Fulton Insurance Services Group, Inc. and Fulton Community Partner, LLC. Collectively, the Parent Company and its subsidiaries are referred to as the Corporation.

The Corporation's primary sources of revenue are interest income on loans, investment securities and other interest-earning assets and fee income earned on its products and services. Its expenses consist of interest expense on deposits and borrowed funds, provision for credit losses, other operating expenses and income taxes. The Corporation's primary competition is other financial services providers operating in its region. Competitors also include financial services providers located outside the Corporation's geographic market as a result of the growth in electronic delivery channels. The Corporation is subject to the regulations of certain federal and state agencies and undergoes periodic examinations by such regulatory agencies.

The Corporation offers, through its banking subsidiary, a full range of retail and commercial banking services in Pennsylvania, Delaware, Maryland, New Jersey and Virginia.

Basis of Financial Statement Presentation: The consolidated financial statements have been prepared in accordance with GAAP and include the accounts of the Parent Company and all wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosed amount of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. The Corporation evaluates subsequent events through the date of the filing of this report with the SEC.

Cash and Cash Equivalents and Restricted Cash: Cash and cash equivalents consists of cash and due from banks and interest-bearing deposits with other banks, which includes restricted cash. Restricted cash comprises cash balances required to be maintained with the FRB, based on customer transaction deposit account levels, and cash balances provided as collateral on derivative contracts and other contracts. See "Note 3 - Restrictions on Cash and Cash Equivalents" for additional information.

FRB and FHLB Stock: The Bank is a member of the FRB and FHLB and is required by federal law to hold stock in these institutions according to predetermined formulas. These restricted investments are carried at cost on the consolidated balance sheets and are periodically evaluated for impairment.

Investments: Debt securities are classified as HTM at the time of purchase when the Corporation has both the intent and ability to hold these investments until they mature. Such debt securities are carried at cost, adjusted for amortization of premiums and accretion of discounts using the effective yield method. The Corporation does not engage in trading activities; however, since the investment portfolio serves as a source of liquidity, most debt securities are classified as AFS. AFS securities are carried at estimated fair value with the related unrealized holding gains and losses reported in shareholders' equity as a component of AOCI, net of tax. Realized securities gains and losses are computed using the specific identification method and are recorded on a trade date basis.

HTM Debt Securities: Expected credit losses on HTM debt securities would be recorded in the ACL on HTM debt securities. As of December 31, 2024, no HTM debt securities required an ACL as these investments consist solely of agency-guaranteed residential mortgage-backed and commercial mortgage-backed securities.

AFS Debt Securities: The Bank's AFS rated debt securities are investment grade. In evaluating credit losses on debt securities, management considers factors such as the credit quality of the investments, the credit rating of the security, and the delinquency history of the security. As of December 31, 2024, no AFS debt securities required an ACL.

Fair Value Option: The Corporation has elected to measure mortgage loans held for sale at fair value. Derivative financial instruments related to mortgage banking activities are also recorded at fair value, as detailed under the heading "Derivative Financial Instruments," below. The Corporation determines fair value for its mortgage loans held for sale based on the price that secondary market investors would pay for loans with similar characteristics, including interest rate and term, as of the date fair value is measured. Changes in fair values during the period are recorded as components of mortgage banking income on the consolidated statements of income. Interest income earned on mortgage loans held for sale is classified in interest income on the consolidated statements of income.

Loans: Loans are stated at amortized cost, except for mortgage loans held for sale, which are carried at fair value. Interest income on loans is accrued as earned.

In general, loans are placed on non-accrual status once they become 90 days delinquent as to principal or interest. In certain cases a loan may be placed on non-accrual status prior to being 90 days delinquent if there is an indication that the borrower is having difficulty making payments, or the Corporation believes it is probable that all amounts will not be collected according to the contractual terms of the loan agreement. When interest accruals are discontinued, unpaid interest previously credited to income is reversed. Non-accrual loans may be restored to accrual status when all delinquent principal and interest has been paid currently for six consecutive months or the loan is considered adequately secured and in the process of collection. The Corporation generally applies payments received on non-accruing loans to principal until such time as the principal is paid off, after which time any payments received are recognized as interest income. If the Corporation believes that all amounts outstanding on a non-accrual loan will ultimately be collected, payments received subsequent to its classification as a non-accrual loan are allocated between interest income and principal.

A loan that is 90 days delinquent may continue to accrue interest if the loan is both adequately secured and is in the process of collection. Past due status is determined based on contractual due dates for loan payments. An adequately secured loan is one that has collateral with a supported fair value that is sufficient to discharge the debt, and/or has an enforceable guarantee from a financially responsible party. A loan is considered to be in the process of collection if collection is proceeding through legal action or through other activities that are reasonably expected to result in repayment of the debt or restoration to current status in the near future.

Loans deemed to be a loss are written off through a charge against the ACL. Closed-end consumer loans are generally charged-off when they become 120 days past due (180 days for open-end consumer loans) if they are not adequately secured by real estate. All other loans are evaluated for possible charge-off when it is probable that the balance will not be collected, based on the ability of the borrower to pay and the value of the underlying collateral, if any. Principal recoveries of loans previously charged-off are recorded as increases to the ACL.

Loan Origination Fees and Costs: Loan origination fees and the related direct origination costs are deferred and amortized over the life of the loan as an adjustment to interest income using the effective yield method. For mortgage loans sold, net loan origination fees and costs are included in the gain or loss on sale of the related loan, as components of mortgage banking.

Loan Modifications: Loans are accounted for and reported as modified when, for economic or legal reasons, the Corporation grants a concession to a borrower experiencing financial difficulty that it would not otherwise consider. Concessions, whether negotiated or imposed by bankruptcy, granted under a loan modification typically involve a more than insignificant deferral of scheduled loan payments, an extension of a loan's stated maturity date, a reduction in the interest rate or a forgiveness of principal.

Because the effect of most modifications made to loans to borrowers experiencing financial difficulty is already included in the ACL, a change to the ACL is generally not recorded upon modification. When principal forgiveness is provided, the amortized cost basis of the forgiven portion of the loan is written off against the ACL.

Allowance for Credit Losses:

The Corporation follows *ASU 2016-13 Financial Instruments - Credit Losses (ASC Topic 326): Measurement of Credit Losses on Financial Instruments*. The measurement of expected credit losses under CECL is applicable to financial assets measured at amortized cost, including loans and HTM debt securities. It also applies to OBS credit exposures, such as loan commitments, standby letters of credit, financial guarantees, and other similar instruments, and net investments in leases recognized by a lessor in accordance with ASC Topic 842.

The Corporation has elected to exclude accrued interest receivable from the measurement of its ACL. When a loan is placed on non-accrual status, any outstanding accrued interest is reversed against interest income.

The ACL consists of loans evaluated collectively and individually for expected credit losses. The ACL represents an estimate of expected credit losses over the expected life of the loans as of the balance sheet date and is recorded as a reduction to net loans. The ACL is increased or decreased (when the provision for credit losses is negative) through the provision for credit losses and increased or decreased (when recoveries of loans previously charged off exceed loans charged off) by charge-offs, net of recoveries. The reserve for OBS credit exposures includes estimated losses on unfunded loan commitments, letters of credit and other OBS credit exposures.

Loans: The ACL is an estimate of the expected losses to be realized over the life of the loans in the portfolio. The ACL is determined for two distinct categories of loans: (i) loans evaluated collectively for expected credit losses and (ii) loans evaluated individually for expected credit losses.

Loans Evaluated Collectively: Loans evaluated collectively for expected credit losses include accruing loans and non-accrual loans where the total commitment amount is less than $1 million. In determining the ACL, the Corporation uses three inputs to model the estimate. These inputs are the PD rate which estimates the likelihood that a borrower will be unable to meet its debt obligations, the LGD rate which estimates the percentage of an asset that is lost if a borrower defaults, and the EAD balance which estimates the gross exposure under a facility upon default. The PD models were developed based on historical default data. Both internal and external variables are evaluated in the process. The main internal variables are risk rating or delinquency history and indicators of default. The external variables are economic variables obtained from third-party forecasts.

The PD models are transition matrix models that utilize historical credit observations and incorporate economic forecasts to project future default rates using a linear regression methodology for each loan segment. The LGD model uses a vintage loss approach that estimates LGD rates based on the bank's historical loss experience for each loan segment. The EAD incorporates a prepayment rate and applies the PD rates to estimate the projected exposure at default across the life of each loan. The ACL is calculated by applying the LGD to the EAD at each period across the life of each loan.

The ACL incorporates the Corporation's historical credit observations, current conditions, and reasonable and supportable forecasts that are based on the projected performance of specific economic variables that are statistically correlated with historical PD rates. The reasonable and supportable forecast extends to 24 months and reverts back to an average PD rate using a straight-line reversion methodology over a 12 month period.

The ACL is highly sensitive to the economic forecasts used to develop the reserve. As such, the calculation of the ACL is inherently subjective and requires management to exercise judgment.

The ACL may include qualitative adjustments intended to capture the impact of uncertainties not reflected in the quantitative models. In determining qualitative adjustments, management considers changes in national, regional, and local economic and business conditions and their impact on the lending environment, including underwriting standards and other factors affecting credit losses over the remaining life of each loan.

Loans Evaluated Individually: Loans evaluated individually for expected credit losses include loans on non-accrual status where the commitment amount equals or exceeds $1.0 million. The required ACL for such loans is determined using the present value of expected future cash flows, observable market price or the fair value of collateral.

Loans evaluated individually may have specific allocations of the ACL assigned if the measured value of the loan using one of the noted techniques is less than its current carrying value. For loans measured using the fair value of collateral, if the analysis determines that sufficient collateral value would be available for repayment of the debt, then no allocations would be assigned to those loans. Collateral could be in the form of real estate or business assets, such as accounts receivable or inventory, in the case of commercial and industrial loans. Commercial and industrial loans may also be secured by real estate.

For loans secured by real estate, estimated fair values are determined primarily through appraisals performed by third-party appraisers, discounted to arrive at expected net sale proceeds. For collateral-dependent loans, estimated real estate fair values are also net of estimated selling costs. When a real estate secured loan is impaired, a decision is made regarding whether an updated appraisal of the real estate is necessary. This decision is based on various considerations, including: the age of the most recent appraisal; the loan-to-value ratio based on the original appraisal; the condition of the property; the Corporation's experience and knowledge of the real estate market; the purpose of the loan; market factors; payment status; the strength of any guarantors; and the existence and age of other indications of value such as broker price opinions, among others. The Corporation generally obtains updated appraisals performed by third-party appraisers for impaired loans secured predominantly by real estate every 12 months.

When updated appraisals are not obtained for loans secured by real estate, fair values are estimated based on the original appraisal values, as long as the original appraisal indicated an acceptable loan-to-value position and there has not been a significant deterioration in the collateral value since the original appraisal was performed.

For loans with principal balances greater than or equal to $1.0 million secured by non-real estate collateral, such as accounts receivable or inventory, estimated fair values are determined based on borrower financial statements, inventory listings, accounts receivable agings or borrowing base certificates provided by the borrower. Indications of value from these sources are generally discounted based on the age of the financial information or the quality of the assets. Liquidation or collection discounts are applied to these assets based upon existing loan evaluation policies.

Management regularly reviews loans in the portfolio to assess credit quality indicators and to determine appropriate loan classification. For commercial loans, commercial mortgages and construction loans to commercial borrowers, an internal risk rating process is used. The Corporation believes that internal risk ratings are the most relevant credit quality indicator for these types of loans. The migration of loans through the various internal risk rating categories is a significant component of the ACL methodology for these loans, which bases the PD on this migration. Assigning risk ratings involves judgment. Risk ratings may be changed based on ongoing monitoring procedures, or if specific loan review assessments identify a deterioration or an improvement in the loan.

The following is a summary of the Corporation's internal risk rating categories:

- Pass: These loans do not currently pose undue credit risk and can range from the highest to average quality, depending on the degree of potential risk.
- Special Mention: These loans have a heightened credit risk, but not to the point of justifying a classification of Substandard. Loans in this category are currently acceptable but, are nevertheless potentially weak.
- Substandard or Lower: These loans are inadequately protected by current sound worth and paying capacity of the borrower. There exists a well-defined weakness or weaknesses that jeopardize the normal repayment of the debt.

The Corporation considers risk factors such as: local and national economic conditions; trends in delinquencies and non-accrual loans; the diversity of borrower industry types; and the composition of the portfolio by loan type.

OBS Credit Exposures: The reserve for OBS credit exposures is recorded in other liabilities on the consolidated balance sheets, and represents management's estimate of expected losses in its unfunded loan commitments and other OBS credit exposures. The reserve for OBS credit exposures specific to unfunded commitments is determined by estimating future draws and applying the expected loss rates on those draws. Future draws are based on historical averages of utilization rates (i.e., the likelihood of draws taken). The reserve for OBS credit exposures is increased or decreased by charges or reductions to expense, through the provision for credit losses.

Premises and Equipment: Premises and equipment are stated at cost, less accumulated depreciation and amortization. The provision for depreciation and amortization is generally computed using the straight-line method over the estimated useful lives of the related assets, which are a maximum of 50 years for buildings and improvements, 8 years for furniture and 7 years for equipment. Leasehold improvements are amortized over the shorter of the useful life or the non-cancelable lease term.

Premises and equipment acquired in a business combination are initially recorded at fair value and subsequently carried at cost less depreciation and amortization. See "Note 6 - Premises and Equipment" for additional information.

OREO: Assets acquired in settlement of mortgage loan indebtedness are recorded as OREO and are included in other assets on the consolidated balance sheets, initially at the lower of the estimated fair value of the asset, less estimated selling costs, or the carrying amount of the loan. Costs to maintain the assets and subsequent gains and losses on sales are included in other non-interest expense on the consolidated statements of income.

MSRs: The estimated fair value of MSRs related to residential mortgage loans sold and serviced by the Corporation is recorded as an asset upon the sale of such loans. MSRs are amortized as a reduction to mortgage servicing income, included as a component of mortgage banking income on the consolidated statements of income, over the estimated lives of the underlying loans.

MSRs are stratified and evaluated for impairment by comparing each stratum's carrying amount to its estimated fair value. Fair values are determined through a discounted cash flows valuation completed by a third-party valuation expert. Significant inputs to the valuation include expected net servicing income, the discount rate and the expected lives of the underlying loans. Expected life is based on the contractual terms of the loans, as adjusted for prepayment projections. To the extent the amortized cost of the MSRs exceeds their estimated fair value, a valuation allowance is established through a charge against servicing income. If subsequent valuations indicate that impairment no longer exists, the valuation allowance is reduced through an increase to servicing income. See "Note 8 - Mortgage Servicing Rights" for additional information.

Derivative Financial Instruments: The Corporation manages its exposure to certain interest rate risk through the use of derivatives. Certain of the Corporation's outstanding derivative contracts are designated as hedges, and none are entered into for speculative purposes. The Corporation enters into derivative contracts that are intended to economically hedge certain of its risks, even if hedge accounting does not apply or the Corporation elects not to apply hedge accounting.

The Corporation records all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Corporation has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. The Corporation does not have any derivative instruments designated as fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. For derivatives designated as cash flow hedges where hedge accounting is applied, changes in fair value are recognized in OCI, net of tax. For derivatives where hedge accounting does not apply, changes in fair value are recognized in earnings as components of non-interest income or non-interest expense on the consolidated statements of income.

Derivative contracts create counterparty credit risk with both the Corporation's customers and with institutional derivative counterparties. The Corporation manages counterparty credit risk through its credit approval processes, monitoring procedures and obtaining adequate collateral, when the Corporation determines it is appropriate to do so and in accordance with counterparty contracts.

For each of the derivatives, gross derivative assets and liabilities are recorded in other assets and other liabilities, respectively, on the consolidated balance sheets. Related gains and losses on these derivative instruments are recorded in other changes, net on the consolidated statements of cash flows.

Mortgage Banking Derivatives

In connection with its mortgage banking activities, the Corporation enters into commitments to originate certain fixed-rate residential mortgage loans for customers, also referred to as interest rate locks. In addition, the Corporation enters into forward commitments for the future sales or purchases of mortgage-backed securities to or from third-party counterparties to hedge the effect of changes in interest rates on the values of both the interest rate locks and mortgage loans held for sale. Forward sales commitments may also be in the form of commitments to sell individual mortgage loans at a fixed price at a future date. The amount necessary to settle each interest rate lock is based on the price that secondary market investors would pay for loans with similar characteristics, including interest rate and term, as of the date fair value is measured.

Interest Rate Derivatives - Non-Designated Hedges

The Corporation enters into interest rate derivatives with certain qualifying commercial loan customers to meet their interest rate risk management needs. The Corporation simultaneously enters into interest rate derivatives with dealer counterparties, with identical notional amounts and terms. The net result of these interest rate derivatives is that the customer pays a fixed rate of interest and the Corporation receives a floating rate. As the interest rate derivatives associated with this program do not meet hedge accounting requirements, changes in the fair value of both the customer derivatives and the offsetting derivatives are recognized directly in earnings.

The Corporation's existing OBS credit exposures result from participation in interest rate derivatives provided by external lenders as part of loan participation arrangements and, therefore, are not used to manage interest rate risk in the Corporation's assets or liabilities.

The Corporation is required to clear all eligible interest rate derivative contracts with a clearing agent and is subject to the regulations of the Commodity Futures Trading Commission.

Cash Flow Hedges of Interest Rate Risk

The Corporation's objectives in using interest rate derivatives are to reduce volatility in net interest income and interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Corporation primarily uses interest rate derivatives as part of its interest rate risk management strategy. The Corporation enters into interest rate derivatives designated as cash flow hedges to hedge the variable cash flows associated with existing floating rate loans and borrowings.

For derivatives designated and that qualify as cash flow hedges of interest rate risk, the unrealized gain or loss on the derivative is recorded in OCI, net of tax, and subsequently reclassified into interest income or interest expense in the same period during which the hedged transaction affects earnings. Amounts reported in OCI related to derivatives will be reclassified to interest income or interest expense as interest payments are made on the Corporation's variable-rate loans and borrowings.

Foreign Exchange Contracts

The Corporation enters into foreign exchange contracts to accommodate the needs of its customers. Foreign exchange contracts are commitments to buy or sell foreign currency on a specific date at a contractual price. The Corporation limits its foreign exchange exposure with customers by entering into contracts with institutional counterparties to mitigate its foreign exchange risk. The Corporation also holds certain amounts of Foreign Currency Nostro Accounts. The Corporation limits the total overnight net foreign currency open positions, which is defined as an aggregate of all outstanding contracts, to $0.5 million. See "Note 11 - Derivative Financial Instruments" for additional information.

Balance Sheet Offsetting: Certain financial assets and liabilities may be eligible for offset on the consolidated balance sheets because they are subject to master netting arrangements or similar agreements. The Corporation has elected to net its financial assets and liabilities designated as cash flow hedges when offsetting is permitted. The Corporation has elected not to offset the remaining assets and liabilities subject to such arrangements on the consolidated financial statements.

The Corporation is a party to interest rate derivatives with financial institution counterparties and customers. Under these agreements, the Corporation has the right to net-settle multiple contracts with the same counterparty in the event of default on, or termination of, any one contract. Cash collateral is posted by the party with a net liability position in accordance with contract thresholds and can be used to settle the fair value of the interest rate derivatives in the event of default. A daily settlement occurs through a clearing agent for changes in the fair value of centrally cleared derivatives. Not all derivatives are required to be cleared through a daily clearing agent. As a result, the total fair values of interest rate derivative assets and derivative liabilities recognized on the consolidated balance sheets are not equal and offsetting.

The Corporation is also a party to foreign exchange contracts with financial institution counterparties under which the Corporation has the right to net-settle multiple contracts with the same counterparty in the event of default on, or termination of, any one contract. As with interest rate derivatives, cash collateral is posted by the party with a net liability position in accordance with contract thresholds and can be used to settle the fair value of the foreign exchange contracts in the event of default.

For additional information on balance sheet offsetting, see "Note 11 - Derivative Financial Instruments."

Income Taxes: The Corporation utilizes the asset and liability method in accounting for income taxes. Under this method, DTAs and deferred tax liabilities are determined based upon the difference between the values of the assets and liabilities as reflected in the financial statements and their related tax basis using enacted tax rates in effect for the year in which the differences are expected to be recovered or settled. As changes in tax law or rates are enacted, DTAs and deferred tax liabilities are adjusted through income tax expense. In assessing the realizability of DTAs, management considers whether it is more likely than not that some portion or all of the DTAs will not be realized. The ultimate realization of DTAs is dependent upon the generation of future taxable income and tax planning strategies which will create taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, the amount of taxes paid in available carryback years, projected future taxable income, and, if necessary, tax planning strategies in making this assessment. A valuation allowance is provided against DTAs unless it is more likely than not that such DTAs will be realized.

ASC Topic 740, "Income Taxes" creates a single model to address uncertainty in tax positions, and clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in an enterprise's financial statements. It also provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. The liability for unrecognized tax benefits is included in other liabilities within the consolidated balance sheets.
See "Note 13 - Income Taxes" for additional information.

Stock-Based Compensation: The Corporation grants equity awards to employees, consisting of restricted stock, RSUs and PSUs under its Employee Equity Plan. In addition, employees may purchase stock under the Corporation's ESPP.

The Corporation also grants equity awards to non-employee members of its Board of Directors and Fulton Bank's Board of Directors under the Directors' Plan. Under the Directors' Plan, the Corporation can grant equity awards to non-employee holding company and subsidiary bank directors in the form of restricted stock, RSUs or common stock. Recent grants of equity awards under the Directors' Plan have been limited to RSUs.

Equity awards issued under the Employee Equity Plan are generally granted annually and become fully vested over or after a three-year vesting period. The vesting period for non-performance-based awards represents the period during which employees are required to provide service in exchange for such awards. Equity awards under the Directors' Plan are generally granted annually and fully vest after a one-year vesting period. Certain events, as defined in the Employee Equity Plan and the Directors' Plan, result in the acceleration of the vesting of equity awards. Restricted stock, RSUs and PSUs earn dividends during the vesting period, which are forfeitable if the awards do not vest.

The fair value of stock options, restricted stock and RSUs granted to employees or directors is recognized as compensation expense over the vesting period for such awards. Compensation expense for PSUs is also recognized over the vesting period and service period, however, compensation expense for PSUs may vary based on the expectations for actual performance relative to defined performance measures.

The fair value of restricted stock, RSUs and a majority of PSUs are based on the trading price of the Corporation's stock on the date of grant. The fair value of certain PSUs are estimated through the use of the Monte Carlo valuation methodology as of the date of grant. See "Note 16 - Stock-Based Compensation Plans" for additional information. The Corporation has not issued stock options since 2014 and accordingly, there is no compensation expense for this instrument. All stock options have been exercised or expired during 2024.

Disclosures about Segments of an Enterprise and Related Information: Fulton Financial Corporation is a single segment. The Corporation's Chief Operating Decision Maker reviews consolidated results on a GAAP basis.

Financial Guarantees: Financial guarantees, which consist primarily of standby and commercial letters of credit, are accounted for by recognizing a liability equal to the fair value of the guarantees and crediting the liability to income over the term of the guarantee. Fair value is estimated based on the fees currently charged to enter into similar agreements with similar terms.

Goodwill and Intangible Assets: The Corporation accounts for its acquisitions using the purchase accounting method. Purchase accounting requires that all assets acquired and liabilities assumed, including certain intangible assets that must be recognized, be recorded at their estimated fair values as of the acquisition date. Any purchase price exceeding the fair value of net assets acquired is recorded as goodwill. Any purchase price lower than the fair value of net assets acquired is recorded as a gain on acquisition, net of tax.

Goodwill is not amortized to expense, but is evaluated for impairment at least annually. Write-downs of the balance, if necessary as a result of the impairment test, are charged to expense in the period in which goodwill is determined to be impaired. The Corporation performs its annual assessment of goodwill impairment in the fourth quarter of each year. If certain events occur which indicate goodwill might be impaired between annual assessments, goodwill would be evaluated when such events occur.

Intangible assets are amortized over their estimated lives. Some intangible assets have indefinite lives and are, therefore, not amortized. All intangible assets must be evaluated for impairment if certain events occur. Any impairment write-downs are recognized as non-interest expense on the consolidated statements of income. See "Note 7 - Goodwill and Intangible Assets," for additional information.

VIEs: ASC Topic 810 provides guidance on when to consolidate certain VIEs in the financial statements of the Corporation. VIEs are entities in which equity investors do not have a controlling financial interest or do not have sufficient equity at risk for the entity to finance activities without additional financial support from other parties. VIEs are assessed for consolidation under ASC Topic 810 when the Corporation holds variable interests in these entities. The Corporation consolidates VIEs when it is deemed to be the primary beneficiary. The primary beneficiary of a VIE is determined to be the party that has the power to make decisions that most significantly affect the economic performance of the VIE and has the obligation to absorb losses or the right to receive benefits that in either case could potentially be significant to the VIE.

The Corporation makes investments in certain community development projects, the majority of which generate tax credits under various federal programs, including TCIs. These investments are made throughout the Corporation's market area as a means of supporting the communities it serves. The Corporation typically acts as a limited partner or member of a limited liability company in its TCIs and does not exert control over the operating or financial policies of the partnership or limited liability company. Tax credits earned are subject to recapture by federal taxing authorities based upon compliance requirements to be met at the project level.

Because the Corporation owns 100% of the equity interests in its NMTC investments, these investments were consolidated based on ASC Topic 810 as of December 31, 2024 and 2023. Investments in affordable housing projects were not consolidated based on management's assessment of the provisions of ASC Topic 810.

TCIs are tested for impairment when events or changes in circumstances indicate that it is more likely than not that the carrying amount of the investment will not be realized. An impairment loss is measured as the amount by which the current carrying value exceeds its aggregated remaining value of the tax benefits of the investment. There were no impairment losses recognized for the Corporation's TCIs in 2024, 2023 or 2022. For additional information, see "Note 13 - Income Taxes."

Fair Value Measurements: Assets and liabilities are categorized in a fair value hierarchy for the inputs to valuation techniques used to measure assets and liabilities at fair value using the following three categories (from highest to lowest priority):

- Level 1 - Inputs that represent quoted prices for identical instruments in active markets.
- Level 2 - Inputs that represent quoted prices for similar instruments in active markets, or quoted prices for identical instruments in non-active markets. Also included are valuation techniques whose inputs are derived principally from observable market data other than quoted prices, such as interest rates or other market-corroborated means.
- Level 3 - Inputs that are largely unobservable, as little or no market data exists for the instrument being valued.

The Corporation has categorized all assets and liabilities required to be measured at fair value on both a recurring and nonrecurring basis into the above three levels. See "Note 19 - Fair Value Measurements" for additional information.

Revenue Recognition: The sources of revenue for the Corporation are interest income from loans, leases and investments and non-interest income. Non-interest income is earned from various banking and financial services that the Corporation offers through its subsidiaries. Revenue is recognized as earned based on contractual terms, as transactions occur, or as services are provided. Following is further detail of the various types of revenue the Corporation earns and when it is recognized:

Interest income: Interest income is recognized on an accrual basis according to loan and lease agreements, investment securities contracts or other written contracts.

Wealth management services: Consists of income from trust commissions, brokerage, money market and insurance commissions. Trust commissions consist of advisory fees that are based on market values of clients' managed portfolios and transaction fees for fiduciary services performed, both of which are recognized when earned. Brokerage income includes advisory fees which are recognized when earned on a monthly basis and transaction fees that are recognized when transactions occur. Money market income is based on the balances held in trust accounts and is recognized monthly. Insurance commissions are earned and recognized when policies are originated. Currently, no investment management and trust service income is based on performance or investment results.

Commercial and consumer banking income: Consists of cash management, overdraft and other service charges on deposit accounts as well as branch fees, ATM fees, debit and credit card income and merchant services fees. Also included are letter of credit fees, foreign exchange income and interest rate derivative fees. Revenue is primarily transactional and recognized when earned at the time the transactions occur.

Mortgage banking income: Consists of gains or losses on the sale of residential mortgage loans and mortgage loan servicing income.

Other Income: Includes gains on sales of SBA loans, cash surrender value of life insurance, and other miscellaneous income.

Leases: All leases with an initial term greater than 12 months recognize: (1) a ROU asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term; and (2) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, each measured on a discounted basis. The Corporation elected to not separate lease and non-lease components.

As a lessee, the majority of the operating lease portfolio consists of real estate leases for the Corporation's financial centers, land and office space. The operating leases have remaining lease terms of 1 year to 20 years, some of which include options to extend the leases for 5 years or more. ROU assets and lease liabilities are not recognized for leases with an initial term of 12 months or less.

Certain real estate leases have lease payments that adjust based on annual changes in the CPI or at a stated contractual rate. The leases that are dependent upon the CPI or stated contractual rate are initially measured using the CPI or contractual rate at the commencement date and are included in the measurement of the lease liability.

Operating lease expense represents fixed lease payments for operating leases recognized on a straight-line basis over the applicable lease term. Variable lease expense represents expenses such as the payment of real estate taxes, insurance and common area maintenance based on the Corporation's pro-rata share.

Sublease income consists mostly of operating leases for space within the Corporation's offices and financial centers and is recorded as a reduction to net occupancy expense on the consolidated statements of income. See "Note 18 - Leases" for additional information.

Defined Benefit Plan: Net periodic pension costs are funded based on the requirements of federal laws and regulations. The determination of net periodic pension costs is based on assumptions about future events that will affect the amount and timing of required benefit payments under the plan. These assumptions include demographic assumptions such as retirement age and mortality, a discount rate used to determine the current benefit obligation, form of payment election and a long-term expected rate of return on plan assets. Net periodic pension expense includes interest cost, based on the assumed discount rate, an expected return on plan assets, amortization of prior service cost or credit and amortization of net actuarial gains or losses. The Corporation curtailed the Pension Plan in 2008, with no additional benefits accruing. In connection with the Merger, the Corporation assumed the obligations of Prudential Bancorp under a multiemployer defined benefit pension plan that had previously been closed to new Prudential Bancorp participants. Net periodic pension cost is recognized in salaries and employee benefits on the consolidated statements of income. For additional information, see "Note 17 - Employee Benefit Plans."

Business Combinations: Business combinations are accounted for using the acquisition method of accounting. Under the acquisition method, identifiable assets acquired and liabilities assumed are measured at fair value as of the acquisition date. The difference between the purchase price and the fair value of net assets acquired is recorded as goodwill, unless the acquisition is a bargain purchase. Results of the operations of the acquired entity are included in the consolidated statement of income from the acquisition date. Acquisition costs are expensed as incurred.

Recently Adopted Accounting Standards

In June 2022, FASB issued *ASU 2022-03 Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions* ("ASU 2022-03"). This update clarifies how the fair value of equity securities subject to contractual sale restrictions is determined and requires additional qualitative and quantitative disclosures for equity securities with contractual sale restrictions. The Corporation adopted ASU 2022-03 on January 1, 2024, and it did not have a material impact on its consolidated financial statements.

In March 2023, FASB issued *ASU 2023-01 Leases (Topic 842): Common Control Arrangements* ("ASU 2023-01"). This update clarifies guidance for leases between related parties under common control. The Corporation adopted ASU 2023-01 on January 1, 2024, and it did not have a material impact on its consolidated financial statements.

In November 2023, FASB issued *ASU 2023-07 Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"). This update requires public entities with reportable segments to provide additional and more detailed disclosures. The Corporation adopted ASU 2023-07 on December 15, 2024, and it did not have a material impact on its consolidated financial statements.

Recently Issued Accounting Standards

In December 2023, FASB issued *ASU 2023-08 Intangibles – Goodwill and Other - Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets* ("ASU 2023-08"). This update provides guidance for crypto assets to be carried at fair value and requires additional disclosures. The Corporation will adopt ASU 2023-08 on January 1, 2025. The Corporation does not expect the adoption of ASU 2023-08 to have an impact on its consolidated financial statements. The Corporation currently does not hold crypto assets.

In December 2023, FASB issued *ASU 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"). This update requires companies to disclose specific categories in the income tax rate reconciliation and requires additional information for certain reconciling items. The Corporation will adopt ASU 2023-09 on January 1, 2025. The Corporation does not expect the adoption of ASU 2023-09 to have a material impact on its consolidated financial statements.

In March 2024, FASB issued *ASU 2024-01 Compensation – Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards* ("ASU 2024-01"). This update provides guidance for profits interest and similar awards. The Corporation will adopt ASU 2024-01 on January 1, 2025. The Corporation does not expect the adoption of ASU 2024-01 to have a material impact on its consolidated financial statements.

In November 2024, FASB issued *ASU 2024-03 – Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40) ("ASU 2024-03")*. This update requires disaggregation of certain expenses in a note to the consolidated financial statements. The Corporation will adopt ASU 2024-03 on January 25, 2027. The Corporation does not expect the adoption of ASU 2024-03 to have a material impact on its consolidated financial statements.

In November 2024, FASB issued *ASU 2024-04 – Debt – Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments ("ASU 2024-04")*. This update clarifies the requirements for determining whether settlement of convertible debt should be accounted for as induced conversion. The Corporation will adopt ASU 2024-04 on January 1, 2026. The Corporation does not expect the adoption of ASU 2024-04 to have an impact on its consolidated financial statements.

Reclassifications

Certain amounts in the 2023 consolidated financial statements and notes have been reclassified to conform to the 2024 presentation.

NOTE 2 - BUSINESS COMBINATIONS

On the Acquisition Date, Fulton Bank acquired substantially all of the assets and assumed substantially all of the deposits and certain liabilities of Republic First Bank from the FDIC, as receiver for Republic First Bank. As part of the Republic First Transaction, the Bank acquired approximately $4.8 billion of assets of Republic First Bank and received approximately $0.8 billion of cash from the FDIC. The Bank assumed approximately $5.6 billion of total liabilities of Republic First Bank. The Bank did not enter into a loss sharing arrangement with the FDIC in connection with the Republic First Transaction.

As a result of the Republic First Transaction, the Bank enhanced its presence in Philadelphia, Pennsylvania and New Jersey.

The Republic First Transaction constitutes a business combination as defined by FASB ASC Topic 805, Business Combinations. Accordingly, the assets acquired and liabilities assumed are presented at their estimated fair values as of the Acquisition Date. The determination of estimated fair values required management to make certain estimates about discount rates, future expected cash flows and market conditions at the time of the Republic First Transaction.

The Bank is awaiting conclusion of the customary final settlement process to determine whether certain assets and liabilities of Republic First Bank will be acquired by the Bank. Until the settlement process is finalized, the preliminary gain on acquisition can be updated for a period not to exceed one year following the Acquisition Date. The fair value estimates of assets acquired and liabilities assumed, provide a reasonable basis for determining the preliminary gain on acquisition. During the fourth quarter of 2024, adjustments to the estimated fair values of certain assets acquired were recorded, resulting in a decrease of $2.7 million in the preliminary gain on acquisition, net of income taxes.

The excess of the estimated fair value of net assets acquired and the cash consideration received from the FDIC over the estimated fair value of liabilities assumed was recorded as a preliminary gain on acquisition of $37.0 million, net of income taxes.

The following table summarizes the consideration transferred and the estimated fair values of identifiable assets acquired and liabilities assumed in connection with the Republic First Transaction:

	Estimated Fair Value
	(dollars in thousands)
Cash payment received from FDIC	$ 809,920
Assets acquired:	
Cash and due from banks	208,451
Investment securities	1,938,571
Loans	2,495,810
Premises and equipment	184
CDI	92,600
FHLB Stock	37,931
Accrued interest receivable	16,164
Other assets	10,179
Total assets	4,799,890
Liabilities assumed:	
Deposits	4,112,143
Borrowings	1,413,751
Accrued interest payable	33,444
Other liabilities	2,641
Total liabilities	5,561,979
Net assets acquired:	(762,089)
Gain on acquisition, before income taxes	$ 47,831
Gain on acquisition, net of income taxes	$ 36,996

In the fourth quarter of 2024, the Bank assumed 14 leases from the FDIC in accordance with the terms of the P and A Agreement. Upon assignment of the leases, the Corporation recorded at fair market value, a $13.1 million ROU asset and a corresponding $14.4 million lease liability, with the $1.3 million difference recognized as a decrease to gain on acquisition, before income taxes. Additionally, in the fourth quarter of 2024, the Bank purchased 15 premises and related property, plant and equipment in accordance with the P and A Agreement. Upon the purchase, the Corporation recorded at fair market value, $21.7 million in premises and equipment, with a corresponding reduction of $1.0 million in gain on acquisition, before income taxes.

The following is a description of the valuation methodologies used to estimate the fair values of major categories of assets acquired and liabilities assumed.

Cash and due from banks: The fair values of cash and due from banks approximate their book values.

Investment securities: The investment portfolio acquired in the Republic First Transaction, with a fair value of $1.9 billion, was sold by the Corporation shortly after the Acquisition Date. The fair value of the investment portfolio was based on the proceeds from the sale.

Loans: The Corporation recorded $2.5 billion of acquired loans that were initially recorded at their estimated fair values as of the Acquisition Date. The estimated fair value for the loans was based on a discounted cash flow methodology that considered credit loss and prepayment expectations, market interest rates and other market factors from the perspective of a market participant. Loan cash flows were generated on an individual loan basis. The PD, LGD, exposure at default and prepayment assumptions are the key factors driving credit losses that are embedded in the estimated cash flows.

The following table presents information with respect to the estimated fair value and unpaid principal balance of acquired loans at the Acquisition Date:

	April 26, 2024	
	Unpaid Principal Balance	Estimated Fair Value
	(dollars in thousands)	
Real estate - commercial mortgage	$ 1,384,029	$ 1,234,409
Commercial and industrial	310,190	279,309
Real-estate - residential mortgage	947,144	752,331
Real-estate - home equity	90,882	84,369
Real-estate - construction	149,047	142,768
Consumer	2,638	2,624
Total acquired loans	$ 2,883,930	$ 2,495,810

The following table summarizes PCD Loans acquired in the Republic First Transaction as of the Acquisition Date:

	April 26, 2024
	(dollars in thousands)
Book balance of loans with deteriorated credit quality at acquisition	$ 1,014,559
Fair value of loans with deteriorated credit quality at acquisition	895,588
Fair value discount	118,971
PCD Loans credit discount	(54,631)
Non-credit discount	$ 64,340

The Republic First Transaction resulted in the addition of $78.1 million to the ACL, including the $54.6 million identified in the table above for PCD Loans, and $23.4 million recorded through the provision for credit losses at the Acquisition Date for non-PCD Loans.

Intangible assets: The Corporation recorded $92.6 million of CDI reflected in other assets that is being amortized over seven years using the sum-of-the-years'-digits method. The estimated fair value of the CDI was determined using the cost savings approach. The cost savings approach is defined as the difference between the cost of funds of core deposits and an alternative cost of funds for those deposits. The CDI estimated fair value was determined by projecting discounted net cash flows that included assumptions related to customer attrition rates, discount rates, deposit interest rates, deposit account maintenance costs and alternative cost of funding rates.

FHLB stock: The Corporation acquired $37.9 million of FHLB stock. The estimated fair value of the FHLB stock approximated its book value.

Accrued interest receivable: The Corporation acquired $16.2 million of accrued interest receivable. The fair value of the accrued interest receivable approximated its book value.

Core deposits: Demand deposits, savings and money market deposits and time deposits (less than $250,000) were recorded at book value which approximated fair value. The Corporation recorded $92.6 million of CDI in other assets for these deposits.

Time deposits: Time deposits of $250,000 and greater were valued based on a comparison with the contractual cost of a portfolio of brokered deposits having a similar tenor. As the time deposit portfolio had a remaining average life of approximately three months, the estimated fair value of the time deposits approximated their book value and no adjustment was recorded.

Borrowings: Borrowings assumed in the Republic First Transaction, with a fair value of $1.4 billion, were repaid shortly after the Acquisition Date. The fair value of borrowings was based on the repayment amounts.

Acquisition-related expenses:

The Corporation developed a comprehensive integration plan under which it incurred direct costs that are expensed as incurred. Costs related to the Republic First Transaction are included in acquisition-related expenses in the unaudited Consolidated Statements of Income.

The following table details the costs identified and classified as acquisition-related expenses:

	Year ended December 31, 2024
	(dollars in thousands)
Salaries and employee benefits	$ 2,023
Net occupancy	10,085
Professional fees	11,439
Charitable donation	5,000
Other	9,088
	$ 37,635

In connection with the Republic First Transaction, Fulton Bank made a $5.0 million donation to the Fulton Forward Foundation to provide additional impact grants to nonprofit community organizations across the region that share the Bank's vision of advancing economic empowerment, particularly in underserved communities.

During the fourth quarter of 2024, the Corporation closed 13 of the Bank's financial center offices and consolidated the operations of those offices into nearby financial center offices operated by the Bank. The plan was adopted as part of the Bank's integration of the assets acquired and the deposits and certain other liabilities assumed in the Republic First Transaction. The premises and equipment of the 13 locations included five locations owned by the Bank and eight locations leased by the Bank. The Corporation recorded pre-tax costs of approximately $9.8 million reflected in acquisition-related expenses in the Consolidated Statements of Income for the year ended December 31, 2024, consisting of write-offs of premises and equipment and related expenses, and lease termination charges.

Unaudited Pro Forma Information:

The amount of net interest income, non-interest income, non-interest expense and net income of $111.4 million, $44.7 million, $71.9 million and $50.5 million, respectively, attributable to the Republic First Transaction were included in the Corporation's Consolidated Statements of Income for the year ended December 31, 2024. Included in non-interest income above is $37.0 million related to the gain on acquisition, net of tax. Net interest income, non-interest income, non-interest expense and net income shown above reflect management's best estimates based on information available.

Republic First Bank does not have historical financial information that the Corporation could base pro forma information. Additionally, the Bank did not acquire all of the assets or assume all of the liabilities of Republic First Bank. Therefore, it is impracticable to provide pro forma information on revenues and earnings for the Republic First Transaction in accordance with ASC 805-10-50-2.

Prudential Bancorp, Inc

On July 1, 2022, the Corporation completed its acquisition of Prudential Bancorp, a Pennsylvania chartered bank holding company headquartered in Philadelphia, Pennsylvania that primarily served the Greater Philadelphia region. On that date, the Corporation acquired 100% of the outstanding common stock of Prudential Bancorp. As of July 1, 2022, Prudential Bancorp had approximately $930.6 million in assets, $554.1 million in loans and $532.2 million in deposits after purchase accounting adjustments. The common shareholders of Prudential received 0.7974 shares of Fulton Financial common stock and $3.65 cash for each Prudential Bancorp share they owned prior to the Merger. The total consideration for the Merger was $119.1 million consisting of approximately 6,208,516 shares of the Corporation's common stock and $29.3 million in cash.

NOTE 3 - RESTRICTIONS ON CASH AND CASH EQUIVALENTS

Cash collateral is posted by the Corporation with counterparties to secure derivatives and other contracts, which is included in "interest-bearing deposits with other banks" on the consolidated balance sheets. The amounts of such collateral as of December 31, 2024 and 2023 were $4.0 million and $17.4 million, respectively.

NOTE 4 - INVESTMENT SECURITIES

The following tables present the amortized cost and estimated fair values of investment securities, as of December 31:

		Amortized Cost		Gross Unrealized Gains		Gross Unrealized Losses		Estimated Fair Value
	(dollars in thousands)							
2024								
Available for Sale								
State and municipal securities	$	**960,227**	$	**106**	$	**(145,446)**	$	**814,887**
Corporate debt securities		**313,681**		**1,123**		**(14,434)**		**300,370**
Collateralized mortgage obligations		**798,157**		**4,629**		**(13,901)**		**788,885**
Residential mortgage-backed securities		**1,029,846**		**30**		**(40,001)**		**989,875**
Commercial mortgage-backed securities		**617,605**		**—**		**(100,723)**		**516,882**
Total	$	**3,719,516**	$	**5,888**	$	**(314,505)**	$	**3,410,899**
Held to Maturity								
Residential mortgage-backed securities	$	**537,856**	$	**2**	$	**(60,162)**	$	**477,696**
Commercial mortgage-backed securities		**857,713**		**—**		**(151,960)**		**705,753**
Total	$	**1,395,569**	$	**2**	$	**(212,122)**	$	**1,183,449**
2023								
Available for Sale								
U.S. Government securities	$	42,475	$	—	$	(314)	$	42,161
U.S. Government-sponsored agency securities		1,038		—		(28)		1,010
State and municipal securities		1,200,571		1,089		(129,647)		1,072,013
Corporate debt securities		480,714		473		(40,636)		440,551
Collateralized mortgage obligations		122,824		—		(11,390)		111,434
Residential mortgage-backed securities		223,273		7		(26,485)		196,795
Commercial mortgage-backed securities		627,364		—		(92,976)		534,388
Total	$	2,698,259	$	1,569	$	(301,476)	$	2,398,352
Held to Maturity								
Residential mortgage-backed securities	$	407,075	$	—	$	(51,805)	$	355,270
Commercial mortgage-backed securities		860,847		—		(143,910)		716,937
Total	$	1,267,922	$	—	$	(195,715)	$	1,072,207

In May 2024, the Corporation sold $345.7 million of AFS securities and recorded a pre-tax loss of $20.3 million. The proceeds from the sale were reinvested into higher-yielding securities of a similar type and similar duration.

Securities carried at $0.3 billion and $0.4 billion at December 31, 2024 and 2023, respectively, were pledged as collateral to secure public and trust deposits.

The amortized cost and estimated fair values of debt securities as of December 31, 2024, by contractual maturity, are shown in the following table. Actual maturities may differ from contractual maturities because issuers may have the right to call or borrowers may have the right to prepay with or without call or prepayment penalties.

	Available for Sale		Held to Maturity	
	Amortized Cost	**Estimated Fair Value**	**Amortized Cost**	**Estimated Fair Value**
	(dollars in thousands)			
Due in one year or less	$ 15,672	$ 15,532	$ —	$ —
Due from one year to five years	106,119	102,912	—	—
Due from five years to ten years	309,940	294,656	—	—
Due after ten years	842,177	702,157	—	—
	1,273,908	1,115,257	—	—
Residential mortgage-backed securities[1]	1,029,846	989,875	537,856	477,696
Commercial mortgage-backed securities[1]	617,605	516,882	857,713	705,753
Collateralized mortgage obligations[1]	798,157	788,885	—	—
Total	$ 3,719,516	$ 3,410,899	$ 1,395,569	$ 1,183,449

[1] Maturities for mortgage-backed securities and collateralized mortgage obligations are dependent upon the interest rate environment and prepayments on the underlying loans.

The following table presents information related to gross gains and losses on the sales of securities for the years presented:

	Gross Realized Gains	**Gross Realized Losses**	**Net Gains (Losses)**
	(dollars in thousands)		
2024	**$ 179**	**$ (20,462)**	**$ (20,283)**
2023	283	(1,016)	(733)
2022	1,587	(1,614)	(27)

The following tables present the gross unrealized losses and estimated fair values of investments aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, as of December 31:

	Less than 12 months			12 Months or Longer			Total	
2024	**Number of Securities**	**Estimated Fair Value**	**Unrealized Losses**	**Number of Securities**	**Estimated Fair Value**	**Unrealized Losses**	**Estimated Fair Value**	**Unrealized Losses**
				(dollars in thousands)				
Available for Sale								
State and municipal securities	**22**	**$ 53,026**	**$ (1,692)**	**272**	**$ 755,310**	**$ (143,754)**	**$ 808,336**	**$ (145,446)**
Corporate debt securities	**1**	**4,844**	**(13)**	**47**	**264,099**	**(14,421)**	**268,943**	**(14,434)**
Collateralized mortgage obligations	**12**	**288,871**	**(3,463)**	**77**	**85,485**	**(10,438)**	**374,356**	**(13,901)**
Residential mortgage-backed securities	**42**	**777,695**	**(9,178)**	**69**	**174,284**	**(30,823)**	**951,979**	**(40,001)**
Commercial mortgage-backed securities	**1**	**19,291**	**(875)**	**135**	**497,591**	**(99,848)**	**516,882**	**(100,723)**
Total available for sale	**78**	**$ 1,143,727**	**$ (15,221)**	**600**	**$ 1,776,769**	**$ (299,284)**	**$ 2,920,496**	**$ (314,505)**
Held to Maturity								
Residential mortgage-backed securities	**7**	**$ 155,726**	**$ (1,754)**	**120**	**$ 303,220**	**$ (58,408)**	**$ 458,946**	**$ (60,162)**
Commercial mortgage-backed securities	**—**	**—**	**—**	**60**	**705,753**	**(151,960)**	**705,753**	**(151,960)**
Total held to maturity	**7**	**$ 155,726**	**$ (1,754)**	**180**	**$ 1,008,973**	**$ (210,368)**	**$ 1,164,699**	**$ (212,122)**

	Less than 12 months			12 Months or Longer			Total	
2023	Number of Securities	Estimated Fair Value	Unrealized Losses	Number of Securities	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
				(dollars in thousands)				
Available for Sale								
U.S. Government Securities	—	$ —	$ —	1	$ 42,161	$ (314)	$ 42,161	$ (314)
U.S. Government-sponsored agency securities	—	—	—	1	1,010	(28)	1,010	(28)
State and municipal securities	40	76,155	(858)	314	917,274	(128,789)	993,429	(129,647)
Corporate debt securities	8	42,945	(1,326)	60	370,523	(39,310)	413,468	(40,636)
Collateralized mortgage obligations	—	—	—	93	111,434	(11,390)	111,434	(11,390)
Residential mortgage-backed securities	6	409	(3)	69	195,453	(26,482)	195,862	(26,485)
Commercial mortgage-backed securities	2	26,907	(1,053)	133	507,481	(91,923)	534,388	(92,976)
Total available for sale	56	$ 146,416	$ (3,240)	671	$ 2,145,336	$ (298,236)	$ 2,291,752	$ (301,476)
Held to maturity								
Residential mortgage-backed securities	—	$ —	$ —	120	$ 355,270	$ (51,805)	$ 355,270	$ (51,805)
Commercial mortgage-backed securities	—	—	—	60	716,937	(143,910)	716,937	(143,910)
Total held to maturity	—	$ —	$ —	180	$ 1,072,207	$ (195,715)	$ 1,072,207	$ (195,715)

The Corporation's collateralized mortgage obligations, residential mortgage-backed securities and commercial mortgage-backed securities have contractual terms that generally do not permit the issuer to settle the securities at a price less than the amortized cost of the investment. The change in fair value of these securities is attributable to changes in interest rates and not credit quality. The Corporation does not have the intent to sell, and does not believe it will more likely than not be required to sell, any of these securities prior to a recovery of their fair value to amortized cost. In addition, these securities have principal payments that are guaranteed by U.S. government-sponsored agencies. Therefore, the Corporation does not have an ACL for these investments as of December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, no ACL was required for the Corporation's state and municipal securities. The Corporation does not have the intent to sell and does not believe it will more likely than not be required to sell any of these securities prior to a recovery of their fair value to amortized cost, which may be at maturity. Therefore, the Corporation did not record a loss on these investments as of December 31, 2024 and December 31, 2023, respectively.

The majority of the corporate debt securities were rated at or above investment grade as of December 31, 2024 and December 31, 2023. Based on the payment status, rating and management's evaluation of these securities, no ACL was required for corporate debt securities as of December 31, 2024 and December 31, 2023. The Corporation does not have the intent to sell and does not believe it will more likely than not to be required to sell any of these securities prior to a recovery of their fair value to amortized cost, which may be at maturity. Therefore, the Corporation did not record a loss on these investments as of December 31, 2024 and December 31, 2023.

NOTE 5 - LOANS AND ALLOWANCE FOR CREDIT LOSSES

Loans and leases, net of unearned income

Loans and leases, net of unearned income are summarized as follows as of December 31:

	2024	2023
	(dollars in thousands)	
Real estate - commercial mortgage	**$ 9,601,858**	$ 8,127,728
Commercial and industrial[1]	**4,605,589**	4,545,552
Real-estate - residential mortgage	**6,349,643**	5,325,923
Real-estate - home equity	**1,160,616**	1,047,184
Real-estate - construction	**1,394,899**	1,239,075
Consumer	**616,856**	729,318
Leases and other loans[2]	**315,458**	336,314
Net loans	**$ 24,044,919**	$ 21,351,094

[1] Includes no unearned income for December 31, 2024 and $41.0 thousand at December 31, 2023.
[2] Includes unearned income of $35.6 million and $38.0 million at December 31, 2024 and December 31, 2023, respectively.

The Corporation has extended credit to officers and directors of the Corporation and to their associates. These related-party loans are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated persons and do not involve more than the normal risk of collection or present other unfavorable features. The aggregate dollar amount of these loans, including unadvanced commitments, was $166.2 million and $162.5 million as of December 31, 2024 and 2023, respectively. During 2024, additions totaled $9.1 million and repayments totaled $5.4 million for related-party loans.

Allowance for Credit Losses

The following table summarizes the ACL - loans balance and the reserve for OBS credit exposures balance as of December 31, 2024 and 2023:

	2024	2023
	(dollars in thousands)	
ACL - loans	**$ 379,156**	$ 293,404
Reserve for OBS credit exposures[1]	**$ 14,161**	$ 17,254

[1] Included in other liabilities on the Consolidated Balance Sheets.

The following table presents the activity in the ACL for the years ended December 31:

	2024	2023	2022
	(dollars in thousands)		
Balance at beginning of period	**$ 293,404**	$ 269,366	$ 249,001
CECL Day 1 Provision[1]	**23,444**	—	7,954
Initial PCD allowance for credit losses	**54,631**	—	1,135
Loans charged off	**(54,429)**	(39,201)	(21,472)
Recoveries of loans previously charged off	**9,984**	10,129	14,092
Net loans (charged off) recovered	**(44,445)**	(29,072)	(7,380)
Provision for credit losses[1] [2]	**52,122**	53,110	18,656
Balance at end of period	**$ 379,156**	$ 293,404	$ 269,366
Provision for OBS credit exposures[1]	**$ (3,930)**	$ 926	$ 1,411
Reserve for OBS credit exposures	**$ 14,161**	$ 17,254	$ 16,328

[1] The sum of these amounts are reflected in the provision for credit losses in the Consolidated Statements of Income.
[2] Provision only includes the portion related to net loans.

The following table presents the activity in the ACL by portfolio segment:

	Real Estate - Commercial Mortgage	Commercial and Industrial	Real Estate - Residential Mortgage	Consumer and Real Estate - Home Equity	Real Estate - Construction	Leases and other loans	Total
				(dollars in thousands)			
Balance at December 31, 2022	$ 69,456	$ 70,116	$ 83,250	$ 26,429	$ 10,743	$ 9,372	$ 269,366
Loans charged off	(17,999)	(9,246)	(62)	(7,514)	—	(4,380)	(39,201)
Recoveries of loans previously charged off	1,076	3,473	421	3,198	858	1,103	10,129
Net loans (charged off) recovered	(16,923)	(5,773)	359	(4,316)	858	(3,277)	(29,072)
Provision for loan losses[1][2]	60,032	9,923	(10,323)	(4,509)	694	(2,707)	53,110
Balance at December 31, 2023	**112,565**	**74,266**	**73,286**	**17,604**	**12,295**	**3,388**	**293,404**
CECL Day 1 Provision[1]	**6,648**	**1,121**	**14,920**	**445**	**310**	**—**	**23,444**
Initial PCD allowance for credit losses	**41,559**	**10,463**	**565**	**357**	**1,687**	**—**	**54,631**
Loans charged off	**(13,186)**	**(26,585)**	**(1,472)**	**(8,490)**	**—**	**(4,696)**	**(54,429)**
Recoveries of loans previously charged off	**603**	**4,440**	**472**	**3,357**	**382**	**730**	**9,984**
Net loans (charged off) recovered	**(12,583)**	**(22,145)**	**(1,000)**	**(5,133)**	**382**	**(3,966)**	**(44,445)**
Provision for loan losses[1][2]	**9,992**	**28,507**	**(6,440)**	**6,124**	**10,466**	**3,473**	**52,122**
Balance at December 31, 2024	**$ 158,181**	**$ 92,212**	**$ 81,331**	**$ 19,397**	**$ 25,140**	**$ 2,895**	**$ 379,156**

[1] These amounts are reflected in the provision for credit loss in the Consolidated Statements of Income.
[2] Provision included in the table only includes the portion related to net loans.

The ACL may include qualitative adjustments intended to capture the impact of uncertainties not reflected in the quantitative models. In determining qualitative adjustments, management considers changes in national, regional, and local economic and business conditions and their impact on the lending environment, including underwriting standards and other factors affecting credit losses over the remaining life of each loan.

The increase in ACL in 2024 was largely due to loans acquired in the Republic First Transaction. The increase in ACL in 2023 was primarily due to loan growth, changes to the macroeconomic outlook, net charge-offs and risk migration.

Collateral-Dependent Loans

A loan or a lease is considered to be collateral-dependent when the debtor is experiencing financial difficulty and repayment is expected to be provided substantially through the sale or operation of the collateral. For all classes of loans and leases deemed collateral-dependent, the Corporation elected the practical expedient to estimate expected credit losses based on the collateral's fair value less costs to sell. Substantially all of the collateral supporting collateral-dependent loans or leases consists of various types of real estate, including residential properties, commercial properties, such as retail centers, office buildings, and lodging, agricultural land, and vacant land. Commercial and industrial loans may also be secured by real estate.

All loans individually evaluated for impairment are measured for losses on a quarterly basis. As of December 31, 2024 and 2023, substantially all of the Corporation's individually evaluated loans with total commitments greater than or equal to $1.0 million were measured based on the estimated fair value of each loan's collateral, if any.

As of December 31, 2024 and 2023, approximately 90% and 78%, respectively, of loans evaluated individually for impairment with principal balances greater than or equal to $1.0 million, whose primary collateral consisted of real estate, were measured at estimated fair value using appraisals performed by state certified third-party appraisers that had been updated in the preceding 12 months.

Non-accrual Loans

The following table presents total non-accrual loans, by class segment:

	2024			2023		
	With a Related Allowance	**Without a Related Allowance**	**Total**	**With a Related Allowance**	**Without a Related Allowance**	**Total**
	(dollars in thousands)					
Real estate - commercial mortgage	**$ 31,654**	**$ 67,843**	**$ 99,497**	$ 23,338	$ 21,467	$ 44,805
Commercial and industrial	**17,011**	**25,206**	**42,217**	12,410	27,542	39,952
Real estate - residential mortgage	**23,387**	**2,013**	**25,400**	18,806	2,018	20,824
Real estate - home equity	**8,513**	**78**	**8,591**	4,649	104	4,753
Real estate - construction	**1,746**	**—**	**1,746**	341	1,000	1,341
Consumer	**8**	**—**	**8**	52	—	52
Leases and other loans	**1,801**	**10,033**	**11,834**	9,255	638	9,893
Total	**$ 84,120**	**$ 105,173**	**$ 189,293**	$ 68,851	$ 52,769	$ 121,620

As of December 31, 2024 and December 31, 2023, there were $105.2 million and $52.8 million, respectively, of non-accrual loans that did not have a specific valuation allowance within the ACL. The estimated fair values of the collateral securing these loans exceeded their carrying amount, or the loans were previously charged down to realizable collateral values. Accordingly, no specific valuation allowance was considered to be necessary. The amount of interest income on non-accrual loans that was recognized was approximately $1.0 million in 2024 and $1.5 million in 2023.

Asset Quality

Maintaining an appropriate ACL is dependent on various factors, including the ability to identify potential problem loans in a timely manner. For commercial construction loans, commercial and industrial loans, and commercial real estate loans, an internal risk rating process is used. The Corporation believes that internal risk ratings are the most relevant credit quality indicator for these types of loans. The migration of loans through the various internal risk categories is a significant component of the ACL methodology for these loans, which bases the PD on this migration. Assigning risk ratings involves judgment. The Corporation's loan review officers provide a separate assessment of risk rating accuracy. Risk ratings may be changed based on the ongoing monitoring procedures performed by loan officers or credit administration staff, or if specific loan review assessments identify a deterioration or an improvement in a loan.

The following table summarizes designated internal risk rating categories by portfolio segment and loan class, by origination year, in the current period:

	December 31, 2024 (dollars in thousands)								
	Term Loans Amortized Cost Basis by Origination Year						Revolving Loans	Revolving Loans converted to Term Loans	
	2024	2023	2022	2021	2020	Prior	Amortized Cost Basis	Amortized Cost Basis	Total
Real estate - commercial mortgage									
Pass	$ 623,742	$ 898,296	$ 1,138,669	$ 1,316,000	$ 1,077,625	$ 3,414,138	$ 69,942	$ 9,646	$ 8,548,058
Special Mention	4,441	73,348	149,280	157,543	28,734	107,099	10,978	—	531,423
Substandard or Lower	4,831	44,665	102,952	95,617	75,097	193,922	1,380	3,913	522,377
Total real estate - commercial mortgage	633,014	1,016,309	1,390,901	1,569,160	1,181,456	3,715,159	82,300	13,559	9,601,858
Real estate - commercial mortgage									
Current period gross charge-offs	—	(126)	(84)	—	—	(12,950)	—	(26)	(13,186)
Commercial and industrial									
Pass	435,917	486,720	512,622	261,603	268,194	684,931	1,375,201	6,346	4,031,534
Special Mention	9,928	8,333	19,931	18,888	4,844	58,632	117,940	313	238,809
Substandard or Lower	10,795	16,593	34,748	10,183	12,496	49,439	176,755	24,237	335,246
Total commercial and industrial	456,640	511,646	567,301	290,674	285,534	793,002	1,669,896	30,896	4,605,589
Commercial and industrial									
Current period gross charge-offs	(612)	(3,709)	(2,560)	(4,587)	(317)	(7,612)	(3,553)	(3,635)	(26,585)
Real estate - construction[1]									
Pass	197,206	494,072	157,296	37,438	8,784	41,480	30,608	619	967,503
Special Mention	—	10,612	80,651	69,109	938	—	—	—	161,310
Substandard or Lower	—	—	14,407	10,399	—	20,350	121	1,906	47,183
Total real estate - construction	197,206	504,684	252,354	116,946	9,722	61,830	30,729	2,525	1,175,996
Real estate - construction[1]									
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
Total									
Pass	$ 1,256,865	$ 1,879,088	$ 1,808,587	$ 1,615,041	$ 1,354,603	$ 4,140,549	$ 1,475,751	$ 16,611	$ 13,547,095
Special Mention	14,369	92,293	249,862	245,540	34,516	165,731	128,918	313	931,542
Substandard or Lower	15,626	61,258	152,107	116,199	87,593	263,711	178,256	30,056	904,806
Total	$ 1,286,860	$ 2,032,639	$ 2,210,556	$ 1,976,780	$ 1,476,712	$ 4,569,991	$ 1,782,925	$ 46,980	$ 15,383,443

[1] Excludes real estate - construction - other.

Total criticized and classified loans increased $911.4 million, or 98.5%, compared to December 31, 2023.

The increase of $454.6 million in special mention loans as of December 31, 2024 was primarily due to loans acquired in the Republic First Transaction with a balance of $350.4 million as of December 31, 2024. The increase of $456.8 million in substandard or lower loans as of December, 31, 2024 was partially due to loans acquired in the Republic First Transaction with a balance of $193.0 million as of December 31, 2024.

The following table summarizes designated internal risk rating categories by portfolio segment and loan class, by origination year, in the prior period:

	December 31, 2023 (dollars in thousands)								
	Term Loans Amortized Cost Basis by Origination Year						Revolving Loans Amortized Cost Basis	Revolving Loans converted to Term Loans Amortized Cost Basis	
	2023	2022	2021	2020	2019	Prior			Total
Real estate - commercial mortgage									
Pass	$ 783,673	$ 993,017	$ 1,203,852	$ 984,958	$ 721,857	$ 2,822,155	$ 59,253	$ 31,636	$ 7,600,401
Special Mention	2,767	43,904	105,185	7,862	35,289	105,786	1,760	—	302,553
Substandard or Lower	366	20,958	31,304	49,142	26,579	95,621	804	—	224,774
Total real estate - commercial mortgage	786,806	1,057,879	1,340,341	1,041,962	783,725	3,023,562	61,817	31,636	8,127,728
Real estate - commercial mortgage									
Current period gross charge-offs	—	—	—	—	—	(424)	—	(17,575)	(17,999)
Commercial and industrial									
Pass	626,386	590,132	330,576	341,218	272,126	598,838	1,443,203	10,736	4,213,215
Special Mention	7,936	9,548	16,499	3,577	6,817	18,487	72,775	198	135,837
Substandard or Lower	247	25,184	4,611	3,843	18,988	31,663	105,230	6,734	196,500
Total commercial and industrial	634,569	624,864	351,686	348,638	297,931	648,988	1,621,208	17,668	4,545,552
Commercial and industrial									
Current period gross charge-offs	—	(299)	—	—	—	(249)	(682)	(8,016)	(9,246)
Real estate - construction[(1)]									
Pass	322,922	258,080	261,583	37,426	9,510	34,097	13,677	—	937,295
Special Mention	—	12,622	25,898	—	—	—	—	—	38,520
Substandard or Lower	—	521	2,229	—	340	21,284	168	2,229	26,771
Total real estate - construction	322,922	271,223	289,710	37,426	9,850	55,381	13,845	2,229	1,002,586
Real estate - construction[(1)]									
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
Total									
Pass	$ 1,732,981	$ 1,841,229	$ 1,796,011	$ 1,363,602	$ 1,003,493	$ 3,455,090	$ 1,516,133	$ 42,372	$ 12,750,911
Special Mention	10,703	66,074	147,582	11,439	42,106	124,273	74,535	198	476,910
Substandard or Lower	613	46,663	38,144	52,985	45,907	148,568	106,202	8,963	448,045
Total	$ 1,744,297	$ 1,953,966	$ 1,981,737	$ 1,428,026	$ 1,091,506	$ 3,727,931	$ 1,696,870	$ 51,533	$ 13,675,866

(1) Excludes real estate - construction - other.

The Corporation considers the performance of the loan portfolio and its impact on the ACL. The Corporation does not assign internal risk ratings to smaller balance, homogeneous loans, such as home equity, residential mortgage, construction loans to individuals secured by residential real estate, consumer and other loans. For these loans, the most relevant credit quality indicator is delinquency status, and the Corporation evaluates credit quality based on the aging status of the loan. The following tables present the amortized cost of these loans based on payment activity, by origination year, for the periods shown:

	December 31, 2024 (dollars in thousands)								
	Term Loans Amortized Cost Basis by Origination Year						Revolving Loans Amortized Cost Basis	Revolving Loans converted to Term Loans Amortized Cost Basis	
	2024	2023	2022	2021	2020	Prior			Total
Real estate - residential mortgage									
Performing	$ 470,918	$ 728,630	$ 1,515,521	$ 1,726,991	$ 1,022,116	$ 839,566	$ —	$ —	$ 6,303,742
Nonperforming	87	1,358	5,118	3,232	5,523	30,583	—	—	45,901
Total real estate - residential mortgage	471,005	729,988	1,520,639	1,730,223	1,027,639	870,149	—	—	6,349,643
Real estate - residential mortgage									
Current period gross charge-offs	—	(172)	(106)	(12)	(43)	(888)	—	(251)	(1,472)
Consumer and real estate - home equity									
Performing	178,722	116,370	211,647	65,412	48,201	188,442	913,920	40,384	1,763,098
Nonperforming	236	848	918	963	753	4,571	2,893	3,192	14,374
Total consumer and real estate - home equity	178,958	117,218	212,565	66,375	48,954	193,013	916,813	43,576	1,777,472
Consumer and real estate - home equity									
Current period gross charge-offs	(118)	(1,016)	(1,552)	(790)	(398)	(2,704)	(75)	(1,837)	(8,490)
Leases and other loans									
Performing	123,991	89,006	52,724	16,894	10,830	9,996	—	—	303,441
Nonperforming	—	—	1,922	744	23	9,328	—	—	12,017
Total leases and other loans	123,991	89,006	54,646	17,638	10,853	19,324	—	—	315,458
Leases and other loans									
Current period gross charge-offs	(1,977)	(913)	(335)	(334)	(192)	(770)	—	(175)	(4,696)
Construction - other									
Performing	138,440	61,848	15,710	1,499	—	—	—	—	217,497
Nonperforming	—	—	1,406	—	—	—	—	—	1,406
Total construction - other	138,440	61,848	17,116	1,499	—	—	—	—	218,903
Construction - other									
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
Total									
Performing	$ 912,071	$ 995,854	$ 1,795,602	$ 1,810,796	$ 1,081,147	$ 1,038,004	$ 913,920	$ 40,384	$ 8,587,778
Nonperforming	323	2,206	9,364	4,939	6,299	44,482	2,893	3,192	73,698
Total	$ 912,394	$ 998,060	$ 1,804,966	$ 1,815,735	$ 1,087,446	$ 1,082,486	$ 916,813	$ 43,576	$ 8,661,476

	December 31, 2023 (dollars in thousands)								
	Term Loans Amortized Cost Basis by Origination Year						Revolving Loans Amortized Cost Basis	Revolving Loans converted to Term Loans Amortized Cost Basis	
	2023	2022	2021	2020	2019	Prior			Total
Real estate - residential mortgage									
Performing	$ 623,247	$ 1,126,656	$ 1,682,759	$ 984,050	$ 260,049	$ 607,133	$ —	$ —	$ 5,283,894
Nonperforming	—	1,720	4,888	4,701	6,233	24,487	—	—	42,029
Total real estate - residential mortgage	623,247	1,128,376	1,687,647	988,751	266,282	631,620	—	—	5,325,923
Real estate - residential mortgage									
Current period gross charge-offs	—	—	—	—	—	—	—	(62)	(62)
Consumer and real estate - home equity									
Performing	272,571	276,373	85,985	62,426	37,667	204,913	805,645	20,044	1,765,624
Nonperforming	295	455	866	282	354	5,526	1,439	1,661	10,878
Total consumer and real estate - home equity	272,866	276,828	86,851	62,708	38,021	210,439	807,084	21,705	1,776,502
Consumer and real estate - home equity loans									
Current period gross charge-offs	(119)	—	—	—	—	(525)	(283)	(6,587)	(7,514)
Leases and other loans									
Performing	166,490	83,641	27,755	22,304	16,246	9,867	—	—	326,303
Nonperforming	—	118	—	—	—	9,893	—	—	10,011
Total leases and other	166,490	83,759	27,755	22,304	16,246	19,760	—	—	336,314
Leases and other loans									
Current period gross charge-offs	(471)	(521)	(246)	(128)	(82)	(656)	(765)	(1,511)	(4,380)
Construction - other									
Performing	127,382	93,319	13,698	555	—	—	—	—	234,954
Nonperforming	—	1,535	—	—	—	—	—	—	1,535
Total construction - other	127,382	94,854	13,698	555	—	—	—	—	236,489
Construction - other									
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
Total									
Performing	$ 1,189,690	$ 1,579,989	$ 1,810,197	$ 1,069,335	$ 313,962	$ 821,913	$ 805,645	$ 20,044	$ 7,610,775
Nonperforming	295	3,828	5,754	4,983	6,587	39,906	1,439	1,661	64,453
Total	$ 1,189,985	$ 1,583,817	$ 1,815,951	$ 1,074,318	$ 320,549	$ 861,819	$ 807,084	$ 21,705	$ 7,675,228

The following table presents non-performing assets:

	December 31, 2024	December 31, 2023
	(dollars in thousands)	
Non-accrual loans	$ 189,293	$ 121,620
Loans 90 days or more past due and still accruing	30,781	31,721
Total non-performing loans	220,074	153,341
OREO[(1)]	2,621	896
Total non-performing assets	$ 222,695	$ 154,237

[(1)] Excludes $17.5 million and $10.9 million of residential mortgage properties for which formal foreclosure proceeding were in process as of December 31, 2024 and 2023, respectively.

The following tables present the aging of the amortized cost basis of loans, by class segment:

	30-59 Days Past Due	60-89 Days Past Due	≥ 90 Days Past Due and Accruing	Non-Accrual	Current	Total
			(dollars in thousands)			
December 31, 2024						
Real estate - commercial mortgage	$ 32,715	$ 16,684	$ 2,862	$ 99,497	$ 9,450,100	$ 9,601,858
Commercial and industrial[(1)]	6,031	3,636	1,460	42,217	4,552,245	4,605,589
Real estate - residential mortgage	59,593	5,946	20,501	25,400	6,238,203	6,349,643
Real estate - home equity	6,778	1,057	4,758	8,591	1,139,432	1,160,616
Real estate - construction	3,549	5,163	—	1,746	1,384,441	1,394,899
Consumer	6,779	1,627	1,017	8	607,425	616,856
Leases and other loans[(1)]	269	105	183	11,834	303,067	315,458
Total	$ 115,714	$ 34,218	$ 30,781	$189,293	$23,674,913	$24,044,919

[(1)] Includes unearned income.

	30-59 Days Past Due	60-89 Days Past Due	≥ 90 Days Past Due and Accruing	Non-accrual	Current	Total
			(dollars in thousands)			
December 31, 2023						
Real estate - commercial mortgage	$ 4,408	$ 1,341	$ 1,722	$ 44,805	$ 8,075,452	$ 8,127,728
Commercial and industrial[(1)]	5,620	1,656	1,068	39,952	4,497,256	4,545,552
Real estate - residential mortgage	49,145	10,838	21,205	20,824	5,223,911	5,325,923
Real estate - home equity	8,142	2,075	5,326	4,753	1,026,888	1,047,184
Real estate - construction	4,185	451	1,535	1,341	1,231,563	1,239,075
Consumer	8,361	1,767	747	52	718,391	729,318
Leases and other loans[(1)]	146	722	118	9,893	325,435	336,314
Total	$ 80,007	$ 18,850	$ 31,721	$ 121,620	$ 21,098,896	$ 21,351,094

[(1)] Includes unearned income.

Loan Modifications to Borrowers Experiencing Financial Difficulty

The Corporation modifies loans by providing a concession when deemed appropriate. Depending on the circumstances, a term extension, interest rate reduction or principal forgiveness may be granted. In certain instances a combination of concessions may be provided to a borrower.

When principal forgiveness is provided, the amount of principal forgiven is deemed to be uncollectible and the amortized cost basis of the loan is reduced by the amount of the forgiven portion, with a corresponding reduction to the ACL.

The following table presents the amortized cost basis of the loans modified to borrowers experiencing financial difficulty, disaggregated by class of financing receivable and type of concession granted:

	Term Extension			
	2024		2023	
	Amortized Cost Basis	**% of Class of Financing Receivable**	Amortization Cost Basis	% of Class of Financing Receivable
	(dollars in thousands)			
Real estate - commercial mortgage	**$ 20,501**	**0.21 %**	**$ 2,944**	**0.04 %**
Commercial and industrial	**3,913**	**0.08**	**11,970**	**0.26**
Real estate - residential mortgage	**11,604**	**0.18**	**8,182**	**0.15**
Real estate - home equity	**379**	**0.03**	—	—
Real estate - construction	**595**	**0.04**	—	—
Total	**$ 36,992**		**$ 23,096**	

	Interest Rate Reduction and Term Extension			
	2024		2023	
	Amortized Cost Basis	**% of Class of Financing Receivable**	Amortization Cost Basis	% of Class of Financing Receivable
	(dollars in thousands)			
Real estate - residential mortgage	**$ 2,365**	**0.04 %**	$ 910	0.02 %
Total	**$ 2,365**		$ 910	

The following table presents the financial effect of the modifications made to borrowers experiencing financial difficulty:

	Term Extension
	Financial Effect
2024	
Real estate - commercial mortgage	Added a weighted-average 1.99 years to the life of loans, which reduced monthly payment amounts for the borrowers.
Commercial and industrial	Added a weighted-average 0.67 years to the life of loans, which reduced monthly payment amounts for the borrowers.
Real estate - residential mortgage	Added a weighted-average 8.98 years to the life of loans, which reduced monthly payment amounts for the borrowers.
Real estate - home equity	Added a weighted-average 14.30 years to the life of loans, which reduced monthly payment amounts for the borrowers.
Real estate - construction	Added a weighted-average 0.67 years to the life of loans, which reduced monthly payment amounts for the borrowers.
2023	
Real estate - commercial mortgage	Added a weighted-average 1.22 years to the life of loans, which reduced monthly payment amounts for the borrowers.
Commercial and industrial	Added a weighted-average 0.92 years to the life of loans, which reduced monthly payment amounts for the borrowers.
Real estate - residential mortgage	Added a weighted-average 8.10 years to the life of loans, which reduced monthly payment amounts for the borrowers.

	Interest Rate Reduction
	Financial Effect
2024	
Real estate - residential mortgage	Reduced weighted-average interest rate from 2.35% to 1.40%
2023	
Real estate - residential mortgage	Reduced weighted-average interest rate from 3.76% to 2.30%

During the years ended December 31, 2024 and 2023, there were no loans modified due to financial difficulty where there was a principal balance forgiveness.

During the years ended December 31, 2024 and 2023, there were no loans modified due to financial difficulty that defaulted subsequent to modification.

The following table presents the performance of loans that have been modified due to financial difficulty in the previous 12 months.

	Current	30-89 Days Past Due	90+ Past Due and Accruing	Total Past Due
	(dollars in thousands)			
Real estate - commercial mortgage	$ 16,321	$ 123	$ —	$ 123
Commercial and industrial	3,913	—	—	—
Real estate - residential mortgage	11,448	1,918	642	2,560
Real estate - home equity	379	—	—	—
Real estate - construction	595	—	—	—
Total	$ 32,656	$ 2,041	$ 642	$ 2,683

There were no commitments to lend additional funds to borrowers with loan modifications as a result of financial difficulty as of December 31, 2024.

NOTE 6 - PREMISES AND EQUIPMENT

The following is a summary of premises and equipment as of December 31:

	2024	2023
	(dollars in thousands)	
Land	**$ 36,080**	$ 39,742
Buildings and improvements	**310,786**	365,744
Furniture and equipment	**173,778**	161,244
Construction in progress	**4,872**	12,313
Total premises and equipment	**525,516**	579,043
Less: Accumulated depreciation and amortization	**(329,989)**	(356,162)
Net premises and equipment	**$ 195,527**	$ 222,881

The $58.6 million decrease in land and buildings and improvements was primarily due to $73.5 million of asset disposals in the Sale-Leaseback Transaction, partially offset by $21.7 million of land and buildings and improvements purchased as part of the Republic First Transaction in the fourth quarter of 2024. The $73.5 million of premises and equipment disposals in the Sale-Leaseback Transaction included $42.5 million of related accumulated depreciation for a net disposal amount of $31.0 million.

NOTE 7 - GOODWILL AND INTANGIBLE ASSETS

Goodwill totaled $553.3 million as of December 31, 2024 and 2023, respectively. There were no goodwill impairment charges in 2024 based on the annual assessment.

The estimated fair values of the Corporation's reporting units are subject to uncertainty, including future changes in fair values of banks in general and future operating results of reporting units, which could differ significantly from the assumptions used in the current valuation of reporting units.

The following table summarizes intangible assets, which are included in goodwill and net intangible assets on the consolidated balance sheets:

	December 31,	
	2024	2023
	(dollars in thousands)	
Amortizing intangible assets	**$ 106,196**	$ 13,596
Accumulated amortization	**(24,085)**	(6,255)
Net intangibles	**$ 82,111**	$ 7,341

Net intangibles included CDI of $80.2 million and $4.9 million as of December 31, 2024 and 2023, respectively. The CDI was recorded as part of the Republic First Transaction and the Merger and is being amortized over seven years using the sum-of-the-years' digits method.

The following table summarizes CDI amortization expense for each of the next five years and thereafter (dollars in thousands):

Year		
2025	$	22,010
2026		18,667
2027		15,066
2028		11,213
2029		7,717
Thereafter		5,512
Total	$	80,185

NOTE 8 - MORTGAGE SERVICING RIGHTS

The following table summarizes the changes in MSRs, which are included in other assets on the consolidated balance sheets, with adjustments to the carrying value included in mortgage banking income on the consolidated statements of income:

		2024		2023		2022
				(dollars in thousands)		
Amortized cost:						
Balance at beginning of period	**$**	**31,602**	$	34,217	$	35,993
Originations of MSRs		**3,758**		2,475		4,067
Amortization		**(4,669)**		(5,090)		(5,843)
Balance at end of period	**$**	**30,691**	$	31,602	$	34,217
Valuation allowance:						
Balance at beginning of period	**$**	**—**	$	—	$	(600)
Reduction (addition) to valuation allowance		**—**		—		600
Balance at end of period	**$**	**—**	$	—	$	—
Net MSRs at end of period	**$**	**30,691**	$	31,602	$	34,217
Estimated fair value of MSRs at end of period	**$**	**53,972**	$	49,696	$	50,044

MSRs represent the economic value of contractual rights to service mortgage loans that have been sold. The total portfolio of mortgage loans serviced by the Corporation for unrelated third parties was $4.1 billion as of December 31, 2024 and 2023, respectively. Actual and expected prepayments of the underlying mortgage loans can impact the fair value of MSRs. The Corporation accounts for MSRs at the lower of amortized cost or fair value.

The fair value of MSRs is estimated by discounting the estimated cash flows from servicing income, net of expense, over the expected life of the underlying loans at a discount rate commensurate with the risk associated with these assets. Expected life is based on the contractual terms of the loans, as adjusted for prepayment projections. The fair values of MSRs were $54.0 million, $49.7 million and $50.0 million as of December 31, 2024, 2023 and 2022, respectively. Based on its fair value analysis as of December 31, 2024, 2023, and 2022, the Corporation determined that no valuation allowances were required.

Total servicing income, included in mortgage banking income in the consolidated statements of income, was $10.2 million, $10.2 million and $10.6 million as of December 31, 2024, 2023 and 2022, respectively.

Total MSRs amortization expense, recognized as a reduction to mortgage banking income in the consolidated statements of income, was $4.7 million, $5.1 million and $5.8 million in 2024, 2023 and 2022, respectively. Estimated future MSRs amortization expense, based on balances as of December 31, 2024, and the estimated remaining lives of the underlying loans, is as follows (dollars in thousands):

Year	
2025	$ 3,509
2026	3,169
2027	2,856
2028	2,577
2029	2,331
Thereafter	16,249
Total estimated amortization expense	$ 30,691

NOTE 9 - DEPOSITS

Deposits consisted of the following as of December 31:

	2024	2023
	(dollars in thousands)	
Noninterest-bearing demand	**$ 5,499,760**	$ 5,314,094
Interest-bearing demand	**7,843,604**	5,722,695
Savings and money market accounts	**7,792,114**	6,616,901
Total demand and savings	**21,135,478**	17,653,690
Brokered deposits	**843,857**	1,144,692
Time deposits	**4,150,098**	2,739,241
Total Deposits	**$ 26,129,433**	$ 21,537,623

The scheduled maturities of time deposits as of December 31, 2024 were as follows (dollars in thousands):

Year	
2025	$ 3,801,297
2026	242,638
2027	40,071
2028	10,130
2029	11,908
Thereafter	44,054
Total	$ 4,150,098

Included in time deposits were certificates of deposit equal to or greater than $100,000 of $2.5 billion and $1.5 billion as of December 31, 2024 and 2023, respectively. Time deposits equal or greater than $250,000 were $1.0 billion and $551.2 million as of December 31, 2024 and 2023, respectively.

NOTE 10 - BORROWINGS

Borrowings as of December 31, 2024 and 2023 and the related maximum amounts outstanding at the end of any month in each of the two years then ended are presented below.

	December 31		Maximum Outstanding	
	2024	2023	**2024**	2023
	(dollars in thousands)			
Federal funds purchased	**$ —**	$ 240,000	**$ 125,000**	$ 862,000
FHLB advances	**850,000**	1,100,000	**1,706,621**	1,720,000
Other borrowings:				
Short-term promissory notes issued to customers and customer repurchase agreements	**563,831**	611,304	**625,829**	646,439
Other borrowings	**901**	838	**1,155**	1,151
Total other borrowings	**$ 564,732**			

As of December 31, 2024, the Corporation had aggregate federal funds line borrowing capacity of $2.6 billion, with no amount outstanding. A combination of commercial real estate loans, commercial loans, consumer loans and investment securities were pledged to the FRB to provide access to the FRB discount window borrowings. The Corporation had $3.1 billion of collateralized borrowing availability at the FRB discount window with no amount outstanding as of December 31, 2024.

As of December 31, 2024, the Corporation had total FHLB borrowing capacity of $11.1 billion with $5.1 billion of advances and letters of credit outstanding, for a remaining borrowing capacity of approximately $6.0 billion. Advances from the FHLB, when utilized, are secured by qualifying commercial real estate and residential mortgage loans, investments and other assets.

The following is included in senior and subordinated debt as of December 31:

	2024	2023
	(dollars in thousands)	
Subordinated debt	**$ 370,000**	$ 538,778
Unamortized discounts and issuance costs	**(2,684)**	(3,394)
Total senior debt and subordinated debt	**$ 367,316**	$ 535,384

The following table summarizes the scheduled maturities of senior and subordinated debt with an original maturity of one year or more as of December 31, 2024 (dollars in thousands):

Year	
2025	$ —
2026	—
2027	—
2028	—
2029	—
Thereafter	370,000
Unamortized discounts and issuance costs	(2,684)
Total	$ 367,316

In November 2024, the Corporation retired $168.8 million of subordinated notes issued in June 2015 and November 2014 which matured on November 15, 2024. The subordinated notes issued June 2015 carried a fixed rate of 4.50% and an effective rate of 4.69% as a result of discounts and issuance costs. Interest was paid semi-annually in May and November. The subordinated notes issued November 2014, carried a fixed rate of 4.50% and an effective rate of 4.87% as a result of discounts and issuance costs. Interest was paid semi-annually in May and November.

In December 2023, the Corporation retired $5.0 million of subordinated debt with a fixed-to-floating rate of 3.25% and effective rate of 3.35% maturing in 2030.

On March 16, 2022, $65 million of senior notes with a fixed rate of 3.60% were repaid upon their maturity.

In March 2020, the Corporation issued $200.0 million and $175.0 million of subordinated notes due in 2030 and 2035, respectively. The subordinated notes maturing in 2030 were issued with a fixed-to-floating rate of 3.25% and an effective rate of 3.35%, due to issuance costs, and the subordinated notes maturing in 2035 were issued with a fixed-to-floating rate of 3.75% and an effective rate of 3.85%, due to issuance costs.

NOTE 11 - DERIVATIVE FINANCIAL INSTRUMENTS

The following table presents a summary of notional amounts and fair values of derivative financial instruments as of December 31:

	2024		2023	
	Notional Amount	**Asset (Liability) Fair Value**	Notional Amount	Asset (Liability) Fair Value
		(dollars in thousands)		
Interest Rate Locks with Customers				
Positive fair values	**$ 171,933**	**$ 389**	$ 119,558	$ 460
Negative fair values	**3,888**	**(58)**	1,015	(2)
Forward Commitments				
Positive fair values	**51,250**	**363**	—	—
Negative fair values	**—**	**—**	42,000	(854)
Interest Rate Derivatives with Customers[(1)]				
Positive fair values	**767,905**	**8,480**	824,659	22,656
Negative fair values	**3,976,294**	**(239,058)**	3,784,236	(222,530)
Interest Rate Derivatives with Dealer Counterparties				
Positive fair values	**3,976,294**	**150,480**	3,784,236	128,235
Negative fair values	**767,905**	**(10,734)**	824,659	(23,023)
Interest Rate Derivatives used in Cash Flow Hedges				
Positive fair values	**2,500,000**	**227**	2,500,000	6,189
Negative fair values	**1,400,000**	**(2,971)**	750,000	—
Foreign Exchange Contracts with Customers				
Positive fair values	**28,327**	**1,619**	4,159	40
Negative fair values	**693**	**(27)**	13,353	(446)
Foreign Exchange Contracts with Correspondent Banks				
Positive fair values	**4,059**	**63**	15,969	532
Negative fair values	**32,406**	**(1,569)**	6,112	(31)

(1) Fair values are net of a valuation allowance of $366.3 thousand as of December 31, 2024 and 2023, respectively.

In the third quarter of 2023, the Corporation transitioned certain of the Corporation's legacy commercial customer back-to-back interest rate swap transactions from LIBOR to SOFR. During 2024, the increase to other non-interest income to reflect market valuation movements from the transition from LIBOR to SOFR was $0.4 million. During 2023, the reduction to other non-interest income related to the transition from LIBOR to SOFR was $1.9 million.

The following table presents the effect of cash flow hedge accounting on AOCI:

	Amount of Gain (Loss) Recognized in OCI on Derivative	Amount of Gain (Loss) Recognized in OCI Included Component	Amount of Gain (Loss) Recognized in OCI Excluded Component	Location of Gain (Loss) Recognized from AOCI into Income	Amount of Gain (Loss) Reclassified from AOCI into Income	Amount of Gain (Loss) Reclassified from AOCI into Income Included Component	Amount of Gain (Loss) Reclassified from AOCI into Income Excluded Component
				(dollars in thousands)			
Year ended December 31, 2024							
Interest Rate Products	**$ (10,261)**	**$ (10,261)**	**$ —**	Interest Income	**$ (29,899)**	**$ (29,899)**	**$ —**
Interest Rate Products	**11,025**	**11,025**	**—**	Interest Expense	**6,446**	**6,446**	**—**
Total	**$ 764**	**$ 764**	**$ —**		**$ (23,453)**	**$ (23,453)**	**$ —**
Year ended December 31, 2023							
Interest Rate Products	$ 19,598	$ 19,598	$ —	Interest Income	$ (27,546)	$ (27,546)	$ —
Interest Rate Products	(10,550)	(10,550)	—	Interest Expense	1,696	1,696	—
Total	$ 9,048	$ 9,048	$ —		$ (25,850)	$ (25,850)	$ —

The following table presents the effect of fair value and cash flow hedge accounting on the income statement for the year ended December 31:

	Consolidated Statements of Income Classification			
	2024		2023	
	Interest Income	**Interest Expense**	Interest Income	Interest Expense
	(dollars in thousands)			
Total amounts of income line items presented in the consolidated statements of income in which the effects of fair value or cash flow hedges are recorded	**$ (29,899)**	**$ 6,446**	$ (27,546)	$ 1,696
The effects of fair value and cash flow hedging:				
Amount of gain or (loss) on cash flow hedging relationships	**—**	**—**	—	—
Interest contracts:				
Amount of (loss) gain reclassified from AOCI into income	**(29,899)**	**6,446**	(27,546)	1,696
Amount of (loss) gain reclassified from AOCI into income as a result that a forecasted transaction is no longer probable of occurring	**—**	**—**	—	—
Amount of (loss) gain reclassified from AOCI into income - included component	**(29,899)**	**6,446**	(27,546)	1,696
Amount of (loss) gain reclassified from AOCI into income - excluded component	**—**	**—**	—	—

During the next twelve months, the Corporation estimates that an additional $16.5 million will be reclassified as a decrease to interest income.

The following table presents the fair value gains (losses) on derivative financial instruments for the years ended December 31:

	Consolidated Statements of Income Classification	**2024**	2023	2022
		(dollars in thousands)		
Mortgage banking derivatives[1]	Mortgage banking	**$ 1,090**	$ (380)	$ (2,360)
Interest rate derivatives	Other income	**419**	(1,855)	—
Foreign exchange contracts	Other income	**(9)**	7	81
Net fair value gains (losses) on derivative financial instruments		**$ 1,500**	$ (2,228)	$ (2,279)

[1] Includes interest rate locks with customers and forward commitments.

Fair Value Option

The Corporation has elected to measure mortgage loans held for sale at fair value. The following table presents a summary of mortgage loans held for sale and the impact of the fair value election on the consolidated financial statements as of December 31:

	2024	2023
	(dollars in thousands)	
Amortized Cost [1]	**$ 25,316**	$ 14,792
Fair value	**25,618**	15,158

[1] Cost basis of mortgage loans held for sale represents the unpaid principal balance.

Losses related to changes in fair values of mortgage loans held for sale were $0.1 million for the year ended December 31, 2024. Gains related to changes in fair values of mortgage loans held for sale were $0.3 million for the year ended December 31, 2023, and losses related to changes in fair values of mortgage loans held for sale were $0.6 million for the year ended December 31, 2022. The gains and losses are recorded on the consolidated income statements as an adjustment to mortgage banking income.

Balance Sheet Offsetting

The fair values of interest rate derivative agreements and foreign exchange contracts the Corporation enters into with customers and dealer counterparties may be eligible for offset on the consolidated balance sheets if they are subject to master netting arrangements or similar agreements. The Corporation has elected to net its financial assets and liabilities designated as interest rate derivatives when offsetting is permitted. The following table presents the Corporation's financial instruments that are eligible for offset, and the effects of offsetting, on the consolidated balance sheets as of December 31:

	Gross Amounts Recognized on the Consolidated Balance Sheets	Gross Amounts Not Offset on the Consolidated Balance Sheets		
		Financial Instruments[1]	Cash Collateral[2]	Net Amount
		(dollars in thousands)		
2024				
Interest rate derivative assets	**$ 159,187**	**$ (12,739)**	**$ —**	**$ 146,448**
Foreign exchange derivative assets with correspondent banks	**63**	**(63)**	**—**	**—**
Total	**$ 159,250**	**$ (12,802)**	**$ —**	**$ 146,448**
Interest rate derivative liabilities	**$ 252,763**	**$ (9,995)**	**$ (94,339)**	**$ 148,429**
Foreign exchange derivative liabilities with correspondent banks	**1,569**	**(63)**	**—**	**1,506**
Total	**$ 254,332**	**$ (10,058)**	**$ (94,339)**	**$ 149,935**
2023				
Interest rate derivative assets	$ 157,080	$ (15,154)	$ —	$ 141,926
Foreign exchange derivative assets with correspondent banks	532	(532)	—	—
Total	$ 157,612	$ (15,686)	$ —	$ 141,926
Interest rate derivative liabilities	$ 245,553	$ (21,343)	$ (93,841)	$ 130,369
Foreign exchange derivative liabilities with correspondent banks	31	(532)	—	(501)
Total	$ 245,584	$ (21,875)	$ (93,841)	$ 129,868

[1] For interest rate derivative assets, amounts represent any derivative liability fair values that could be offset in the event of counterparty or customer default. For interest rate derivative liabilities, amounts represent any derivative asset fair values that could be offset in the event of counterparty or customer default.
[2] Amounts represent cash collateral received from the counterparty or posted by the Corporation on interest rate derivative transactions and foreign exchange contracts with financial institution counterparties. Interest rate derivatives with customers are collateralized by the same collateral securing the underlying loans to those borrowers. Cash and securities collateral amounts are included in the table only to the extent of the net derivative fair values.

Cash Flow Hedge Terminations

On October 10, 2024, the Corporation terminated interest rate derivatives designated as cash flow hedges with a combined notional amount of $250 million. As the hedged transaction continues to be probable, the unrealized losses will be recorded in AOCI and will be recognized as an increase to interest expense when the previously forecasted hedged items affect earnings in future periods. During the year ended December 31, 2024, $0.2 million of these unrealized losses were reclassified as an increase to interest expense on borrowings on the Consolidated Statements of Income.

In January 2023, the Corporation terminated interest rate derivatives designated as cash flow hedges with a combined notional amount of $1.0 billion. As the hedged transaction continues to be probable, the unrealized losses that have been recorded in AOCI are recognized as reduction to interest income, including fees, when the previously forecasted hedged item affects earnings in future periods. During the years ended December 31, 2024 and 2023, $27.9 million and $22.1 million, respectively, of these unrealized losses have been reclassified as a reduction of interest income on loans, including fees, on the consolidated statements of income.

NOTE 12 - REGULATORY MATTERS

Regulatory Capital Requirements

The Corporation and the Bank are subject to regulatory capital requirements administered by banking regulators. Failure to meet minimum capital requirements can trigger certain mandatory - and possibly additional discretionary - actions by regulators that, if undertaken, could have a direct material effect on the Corporation's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of its assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Basel III Rules

The Basel III Rules provide a comprehensive framework and require the Corporation and the Bank to:

- Meet a minimum Common Equity Tier 1 capital ratio of 4.50% of risk-weighted assets and a minimum Tier 1 capital of 6.00% of risk-weighted assets;
- Meet a minimum Total capital ratio of 8.00% of risk-weighted assets and a minimum Tier 1 leverage capital ratio of 4.00% of average assets;
- Maintain a "capital conservation buffer" of 2.50% above the minimum risk-based capital requirements, which must be maintained to avoid restrictions on capital distributions and certain discretionary bonus payments; and
- Comply with a revised definition of capital to improve the ability of regulatory capital instruments to absorb losses. Certain non-qualifying capital instruments, including cumulative preferred stock and TruPS, are excluded as a component of Tier 1 capital for institutions of the Corporation's size.

The Corporation and the Bank are required to maintain a "capital conservation buffer" of 2.50% above the minimum risk-based capital requirements. The rules provide that the failure to maintain the "capital conservation buffer" results in restrictions on capital distributions and discretionary cash bonus payments to executive officers. As a result, under the Basel III Rules, if the Bank fails to maintain the required minimum capital conservation buffer, the Corporation will be subject to limits, and possibly prohibitions, on its ability to obtain capital distributions from such subsidiaries. If the Corporation does not receive sufficient cash dividends from the Bank, it may not have sufficient funds to pay dividends on its common stock, service its debt obligations or repurchase its common stock.

As of December 31, 2024 and 2023, the Corporation's capital levels met the minimum capital requirements, including the capital conservation buffers, as prescribed in the Basel III Rules.

As of December 31, 2024 and 2023, the Bank was well capitalized under the regulatory framework for prompt corrective action based on its capital ratio calculation. To be categorized as well capitalized, the Bank was required to maintain minimum total risk-based, Tier I risk-based, Common Equity Tier I risk-based and Tier I leverage ratios as set forth in the table below.

There are no conditions or events since December 31, 2024, that management believes have changed the Corporation and the Bank's categories.

The following tables present the Total risk-based, Tier I risk-based, Common Equity Tier I risk-based and Tier I leverage requirements under the Basel III Rules as of December 31:

	2024					
	Actual		**For Capital Adequacy Purposes**		**Well Capitalized**	
	Amount	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
			(dollars in thousands)			
Total Capital (to Risk-Weighted Assets):						
Corporation	**$ 3,544,021**	**14.3 %**	**$ 1,986,754**	**8.0 %**	**N/A**	**N/A**
Fulton Bank, N.A.	**3,338,891**	**13.5**	**1,976,697**	**8.0**	**$ 2,470,871**	**10.0 %**
Tier I Capital (to Risk-Weighted Assets):						
Corporation	**$ 2,866,143**	**11.5 %**	**$ 1,490,065**	**6.0 %**	**N/A**	**N/A**
Fulton Bank, N.A	**3,029,881**	**12.3**	**1,482,523**	**6.0**	**$ 1,976,697**	**8.0 %**
Common Equity Tier I Capital (to Risk-Weighted Assets):						
Corporation	**$ 2,673,265**	**10.8%**	**$ 1,117,549**	**4.5 %**	**N/A**	**N/A**
Fulton Bank, N.A	**2,985,881**	**12.1**	**1,111,892**	**4.5**	**$ 1,606,066**	**6.5 %**
Tier I Leverage Capital (to Average Assets):						
Corporation	**$ 2,866,143**	**9.0%**	**$ 1,269,248**	**4.0 %**	**N/A**	**N/A**
Fulton Bank, N.A	**3,029,881**	**9.6**	**1,265,809**	**4.0**	**$ 1,582,261**	**5.0 %**

N/A - Not applicable as "well capitalized" applies to banks only.

	2023					
	Actual		For Capital Adequacy Purposes		Well Capitalized	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(dollars in thousands)			
Total Capital (to Risk-Weighted Assets):						
Corporation	$ 3,184,496	14.0 %	$ 1,817,712	8.0 %	N/A	N/A
Fulton Bank, N.A.	2,896,908	12.8	1,809,836	8.0	$ 2,262,295	10.0 %
Tier I Capital (to Risk-Weighted Assets):						
Corporation	$ 2,541,819	11.2 %	$ 1,363,284	6.0 %	N/A	N/A
Fulton Bank, N.A	2,620,837	11.6	1,357,377	6.0	$ 1,809,836	8.0 %
Common Equity Tier I Capital (to Risk-Weighted Assets):						
Corporation	$ 2,348,941	10.3%	$ 1,022,463	4.5 %	N/A	N/A
Fulton Bank, N.A	2,576,837	11.4	1,018,033	4.5	$ 1,470,492	6.5 %
Tier I Leverage Capital (to Average Assets):						
Corporation	$ 2,541,819	9.5 %	$ 1,072,189	4.0 %	N/A	N/A
Fulton Bank, N.A	2,620,837	9.6	1,089,195	4.0	$ 1,361,494	5.0 %

N/A - Not applicable as "well capitalized" applies to banks only.

Dividend and Loan Limitations

The dividends that may be paid by the Bank to the Parent Company are subject to certain legal and regulatory limitations. The total amount available for payment of dividends by the Bank to the Parent Company calculated using the three-year earnings test was approximately $334.4 million as of December 31, 2024 based on the Bank maintaining enough capital to be considered well capitalized under the Basel III Rules. A condition of the OCC’s approval of the Republic First Transaction requires that the Bank, for a period of two years following the Acquisition Date, request and receive a written determination of no supervisory objection from the OCC prior to declaring or paying any dividend to the Parent Company

Under current regulations, the Bank is limited in the amount it may lend to its affiliates, including the Parent Company. Loans to a single affiliate may not exceed 10%, and the aggregate of loans to all affiliates may not exceed 20% of the Bank's regulatory capital.

NOTE 13 - INCOME TAXES

The components of income taxes are as follows:

	2024	2023	2022
	(dollars in thousands)		
Current tax expense:			
Federal	**$ 66,817**	$ 49,707	$ 44,478
State	**12,256**	11,137	6,906
Total current tax expense	**79,073**	60,844	51,384
Deferred tax (benefit) expense:			
Federal	**(20,248)**	3,021	8,974
State	**(2,939)**	576	(324)
Total deferred tax (benefit) expense	**(23,187)**	3,597	8,650
Total income tax expense	**$ 55,886**	$ 64,441	$ 60,034

The differences between the effective income tax rate and the federal statutory income tax rate are as follows:

	2024	2023	2022
Statutory tax rate	**21.0 %**	21.0 %	21.0 %
Tax credit investments	**(0.3)**	(1.3)	(2.0)
Tax-exempt income	**(4.3)**	(4.2)	(3.5)
Bargain purchase gain	**(2.3)**	—	—
Bank owned life insurance	**(0.9)**	(0.8)	(0.7)
State income taxes, net of federal benefit	**1.9**	2.6	1.2
Executive compensation	**0.1**	0.3	0.3
FDIC Premium	**0.8**	0.5	0.3
Other, net	**0.2**	0.4	0.7
Effective income tax rate	**16.2 %**	18.5 %	17.3 %

The net DTA recorded by the Corporation is included in other assets and consists of the following tax effects of temporary differences as of December 31:

	2024	2023
	(dollars in thousands)	
Deferred tax assets:		
Unrealized holding losses on securities	**$ 85,516**	$ 90,671
Allowance for credit losses	**90,148**	71,013
Lease liability	**34,921**	21,570
State loss carryforwards	**26,118**	27,948
Other accrued expenses	**16,142**	11,082
Deferred compensation	**11,138**	10,215
Intangible assets	**5,889**	7,460
Stock-based compensation	**5,458**	5,129
Tax credit carryforwards	**—**	4,995
Other	**7,444**	5,469
Total gross deferred tax assets	**$ 282,774**	$ 255,552
Deferred tax liabilities:		
Equipment lease financing	**45,644**	47,345
Right-of-use-asset	**31,960**	20,022
Acquisition premiums/discounts	**16,360**	5,508
MSRs	**6,952**	7,158
Postretirement and defined benefit plans	**5,560**	3,438
Tax credit investments	**2,033**	1,747
Premises and equipment	**736**	1,678
Total gross deferred tax liabilities	**$ 109,245**	$ 86,896
Net deferred tax asset, before valuation allowance	**173,529**	168,656
Valuation allowance	**(26,118)**	(27,948)
Net deferred tax asset	**$ 147,411**	$ 140,708

In assessing the realizability of DTAs, management considers whether it is more likely than not that some or all of the DTAs will not be realized. The ultimate realization of DTAs is dependent upon the generation of future taxable income and/or capital gain income during periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies, such as those that may be implemented to generate capital gains, in making this assessment.

The valuation allowance relates to state net operating loss carryforwards for which realizability is uncertain. As of December 31, 2024 and 2023, the Corporation had state net operating loss carryforwards of approximately $389.3 million and $354.1 million, respectively, which are available to offset future state taxable income, and expire at various dates through 2044.

As of December 31, 2024, based on the level of historical taxable income and projections for future taxable income over the periods in which the DTAs are deductible, management believes it is more likely than not that the Corporation will realize the benefits of its DTAs, net of the valuation allowance.

Uncertain Tax Positions

The following table summarizes the changes in unrecognized tax benefits for the years ended December 31:

	2024	2023	2022
	(dollars in thousands)		
Balance at beginning of year	**$ 1,044**	$ 1,228	$ 1,673
Current period tax positions	**120**	147	112
Lapse of statute of limitations	**(104)**	(331)	(557)
Balance at end of year	**$ 1,060**	$ 1,044	$ 1,228

Virtually all of the Corporation's unrecognized tax benefits are for positions that are taken on an annual basis on state tax returns. Increases to unrecognized tax benefits will occur as a result of accruing for the nonrecognition of the position for the current year.

Decreases will occur as a result of the lapsing of the statute of limitations for the oldest outstanding year which includes the position. These offsetting increases and decreases are likely to continue in the future, including over the next twelve months. While the net effect on total unrecognized tax benefits during this period cannot be reasonably estimated, approximately $82 thousand is expected to reverse in 2025 due to lapsing of the statute of limitations. Decreases can also occur throughout the settlement of positions with taxing authorities.

As of December 31, 2024, if recognized, all of the Corporation's unrecognized tax benefits would impact the effective tax rate. Not included in the table above is $134 thousand of federal income tax benefit on unrecognized state tax benefits which, if recognized, would also impact the effective tax rate. Interest accrued related to unrecognized tax benefits is recorded as a component of income tax expense. Penalties, if incurred, would also be recognized in income tax expense. The Corporation recognized approximately $168 thousand and $138 thousand of recoveries in 2024 and 2023, respectively, for interest and penalties in income tax expense related to unrecognized tax positions. As of December 31, 2024 and 2023, total accrued interest and penalties related to unrecognized tax positions were approximately $177 thousand and $0.3 million, respectively.

The Corporation files income tax returns in the federal and various state jurisdictions. In most cases, unrecognized tax benefits are related to tax years that remain subject to examination by the relevant taxing authorities. With few exceptions, the Corporation is no longer subject to federal, state and local examinations by tax authorities for years before 2021.

Tax Credit Investments

The TCIs are included in other assets, with any unfunded equity commitments recorded in other liabilities on the consolidated balance sheets and changes are reflected in change in tax credit investments in the consolidated statements of cash flows.

In 2023, the Corporation adopted ASU 2023-02, which allows all TCIs to qualify for the proportional amortization method if: (1) it is probable that the income tax credits allocatable to the Corporation will be available; (2) the Corporation does not have the ability to exercise significant influence over the operating and financial policies of the underlying project; (3) substantially all of the projected benefits are from income tax credits and other income tax benefits; (4) the Corporation's projected yield based solely on the cash flows from the income tax credits and other income tax benefits is positive; and (5) the Corporation is a limited liability investor in the limited liability entity for both legal and tax purposes, and the Corporation’s liability is limited to its capital investment. See "Note 1 - Summary of Significant Accounting Policies" in the Notes to the Consolidated Financial Statements.

All TCIs held as of December 31, 2024 that qualify for the proportional amortization method are amortized over the period the Corporation expects to receive the tax credits, with the expense included within income taxes on the Consolidated Statements of Income and net income in the Consolidated Statements of Cash Flows.

All TCIs are evaluated for impairment at the end of each reporting period. There were no impairments recorded against TCIs during 2024.

The following table presents the balances of the Corporation's TCIs and related unfunded commitments as of December 31:

	2024	2023
Included in other assets:	(dollars in thousands)	
Affordable housing tax credit investments, net	**$ 211,572**	$ 170,115
Other tax credit investments, net	**29,649**	35,907
Total TCIs, net	**$ 241,221**	$ 206,022
Included in other liabilities:		
Unfunded affordable housing tax credit commitments	**$ 84,572**	$ 58,312
Other tax credit liabilities	**24,109**	28,361
Total unfunded tax credit commitments and liabilities	**$ 108,681**	$ 86,673

The following table presents other information relating to the Corporation's TCIs for the years ended December 31:

	2024	2023	2022
		(dollars in thousands)	
Components of income taxes:			
Tax credits and benefits	**$ (26,762)**	$ (28,748)	$ (27,154)
Amortization of tax credits and benefits, net of tax benefits	**25,069**	23,446	19,298
Deferred tax expense	**559**	610	766
Total reduction in income tax expense	**$ (1,134)**	$ (4,692)	$ (7,090)
Amortization of TCIs:			
Total amortization of TCIs	**$ —**	$ —	$ 2,783

NOTE 14 - NET INCOME PER COMMON SHARE

Basic net income per common share is calculated as net income available to common shareholders divided by the weighted average number of shares outstanding.

Diluted net income per common share is calculated as net income available to common shareholders divided by the weighted average number of shares outstanding plus the incremental number of shares added as a result of converting common stock equivalents, calculated using the treasury stock method. The Corporation's common stock equivalents consist of outstanding restricted stock, RSUs and PSUs. PSUs are required to be included in weighted average diluted shares outstanding if performance measures, as defined in each PSU award agreement, are met as of the end of the period.

A reconciliation of weighted average common shares outstanding used to calculate basic and diluted net income per share follows:

	2024	2023	2022
		(in thousands)	
Weighted average common shares outstanding (basic)	**175,523**	165,241	164,119
Impact of common stock equivalents	**1,700**	1,528	1,353
Weighted average common shares outstanding (diluted)	**177,223**	166,769	165,472

NOTE 15 - SHAREHOLDERS' EQUITY

Preferred Stock

On October 29, 2020, the Corporation issued 8.0 million depositary shares ("Depositary Shares"), each representing a 1/40th interest in a share of the Corporation's 5.125% Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series A, of which 200,000 are authorized and issued, with a liquidation preference of $1,000 per share (equivalent to $25.00 per Depositary Share), for an aggregate offering amount of $200 million. The preferred stock is redeemable, at the Corporation's option, in whole or in part, on and after January 15, 2026, and redeemable in whole, but not in part, prior to January 15, 2026 within 90 days following the occurrence of a regulatory capital treatment event.

Common Stock Offering

On May 1, 2024, the Corporation completed its underwritten public offering of 19,166,667 shares of its common stock at a price to the public of $15.00 per share, before underwriting discounts. The net proceeds to the Corporation from the offering after deducting underwriting discounts and transaction expenses were approximately $272.6 million.

Stock Reissuance

On July 1, 2022, the Corporation reissued 6,208,516 shares of common stock that had been held as Treasury stock in connection with the Merger.

Accumulated Other Comprehensive Income (Loss)

The following table presents the components of OCI for the years ended December 31:

	Before-Tax Amount	Tax Effect	Net of Tax Amount
		(dollars in thousands)	
2024			
Net unrealized gains (losses) on securities	**$ (28,993)**	**$ 6,568**	**$ (22,425)**
Reclassification adjustment for securities gains (losses) included in net income[1]	**20,283**	**(4,594)**	**15,689**
Amortization of net unrealized gains (losses) on AFS transferred to HTM[2]	**7,251**	**(1,642)**	**5,609**
Net unrealized holding gains (losses) arising during the period on interest rate derivatives used in cash flow hedges	**764**	**(174)**	**590**
Reclassification adjustment for net gains (losses) realized in net income on interest rate derivatives used in cash flow hedges	**23,453**	**(5,312)**	**18,141**
Unrecognized pension and postretirement income	**9,411**	**(2,132)**	**7,279**
Amortization of net unrecognized pension and postretirement items[3]	**(541)**	**119**	**(422)**
Total Other Comprehensive Income (Loss)	**$ 31,628**	**$ (7,167)**	**$ 24,461**
2023			
Net unrealized gains (losses) on securities	$ 46,572	$ (10,549)	$ 36,023
Reclassification adjustment for securities gains (losses) included in net income[1]	(733)	166	(567)
Amortization of net unrealized gains (losses) on AFS transferred to HTM[2]	7,644	(1,731)	5,913
Net unrealized holding gains (losses) arising during the period on interest rate derivatives used in cash flow hedges	9,048	(2,050)	6,998
Reclassification adjustment for net gains (losses) realized in net income on interest rate derivatives used in cash flow hedges	25,850	(5,855)	19,995
Unrecognized pension and postretirement income	6,162	(1,385)	4,777
Amortization of net unrecognized pension and postretirement items[3]	73	(16)	57
Total Other Comprehensive Income (Loss)	$ 94,616	$ (21,420)	$ 73,196
2022			
Net unrealized gains (losses) on securities	$ (403,606)	$ 91,437	$ (312,169)
Reclassification adjustment for securities gains (losses) included in net income[1]	(27)	7	(20)
Amortization of net unrealized gains (losses) on AFS transferred to HTM[2]	(57,509)	13,026	(44,483)
Net unrealized holding gains (losses) arising during the period on interest rate derivatives used in cash flow hedges	(81,400)	18,437	(62,963)
Reclassification adjustment for net gains (losses) loss realized in net income on interest rate swaps used in cash flow hedges	7,761	(1,757)	6,004
Unrecognized pension and postretirement income	825	(181)	644
Amortization of net unrecognized pension and postretirement items[3]	128	(28)	100
Total Other Comprehensive Income (Loss)	$ (533,828)	$ 120,941	$ (412,887)

(1) Amounts reclassified out of AOCI. Before-tax amounts included in "Investment securities gains, net" on the Consolidated Statements of Income. See "Note 4 - Investment Securities," for additional details.

(2) Amounts reclassified out of AOCI. Before-tax amounts included as a reduction to "Interest Income" on the Consolidated Statements of Income.

(3) Amounts reclassified out of AOCI. Before-tax amounts included in "Salaries and employee benefits" on the Consolidated Statements of Income. See "Note 17 - Employee Benefit Plans," for additional details.

The following table presents changes in each component of AOCI, net of tax, for the years ended December 31:

	Unrealized Gains (Losses) on Investment Securities	Net Unrealized Gain (Loss) on Interest Rate Derivatives used in Cash Flow Hedges	Unrecognized Pension and Postretirement Plan Income (Costs)	Total
	(dollars in thousands)			
Balance at December 31, 2021	$ 40,441	$ (4,817)	$ (8,213)	$ 27,411
OCI before reclassifications	(312,169)	(62,963)	644	(374,488)
Amounts reclassified from AOCI	(20)	6,004	100	6,084
Amortization of net unrealized gains (losses) on AFS securities transferred to HTM	(44,483)	—	—	(44,483)
Balance at December 31, 2022	(316,231)	(61,776)	(7,469)	(385,476)
OCI before reclassifications	36,023	6,998	4,777	47,798
Amounts reclassified from AOCI	(567)	19,995	57	19,485
Amortization of net unrealized gains (losses) on AFS securities transferred to HTM	5,913	—	—	5,913
Balance at December 31, 2023	**(274,862)**	**(34,783)**	**(2,635)**	**(312,280)**
OCI before reclassifications	**(22,425)**	**590**	**7,279**	**(14,556)**
Amounts reclassified from AOCI	**15,689**	**18,141**	**(422)**	**33,408**
Amortization of net unrealized gains (losses) on AFS securities transferred to HTM	**5,609**	**—**	**—**	**5,609**
Balance at December 31, 2024	**$ (275,989)**	**$ (16,052)**	**$ 4,222**	**$ (287,819)**

Common Stock Repurchase Programs

On December 17, 2024, the Corporation announced that its Board of Directors approved the 2025 Repurchase Program. The 2025 Repurchase Program will expire on December 31, 2025. Under the 2025 Repurchase Program, the Corporation is authorized to repurchase up to $125.0 million of shares of its common stock. Under this authorization, up to $25.0 million of the $125 million authorization may be used to repurchase the Corporation's Preferred Stock. The 2025 Repurchase Program may be discontinued at any time.

On December 19, 2023, the Corporation announced that its Board of Directors approved the 2024 Repurchase Program. The 2024 Repurchase Program expired on December 31, 2024. Under the 2024 Repurchase Program, the Corporation was authorized to repurchase up to $125.0 million of shares of its common stock. Under this authorization, up to $25.0 million of the $125 million authorization may be used to repurchase the Corporation's Preferred Stock and outstanding subordinated notes through December 31, 2024. During 2024, 1.9 million shares were repurchased at a total cost of $30.3 million, or $15.69 per share, under the 2024 Repurchase Program.

On December 20, 2022, the Corporation announced that its Board of Directors approved the 2023 Repurchase Program. Under the 2023 Repurchase Program, the Corporation was authorized to repurchase up to $100.0 million of its common stock through December 31, 2023. During 2023, 5.0 million shares were repurchased at a total cost of $77.1 million, or $15.32 per share, under the 2023 Repurchase Program.

Under these repurchase programs, repurchased shares are added to treasury stock, at cost. As permitted by securities laws and other legal requirements, and subject to market conditions and other factors, purchases may be made from time to time in open market or privately negotiated transactions, including, without limitation, through accelerated share repurchase transactions.

NOTE 16 - STOCK-BASED COMPENSATION PLANS

The following table presents compensation expense and related tax benefits for all equity awards recognized in the consolidated statements of income for the years ended December 31:

	2024	2023	2022
	(dollars in thousands)		
Compensation expense	**$ 10,907**	$ 11,265	$ 15,081
Tax benefit	**(2,466)**	(2,484)	(2,690)
Total stock-based compensation, net of tax	**$ 8,441**	$ 8,781	$ 12,391

The tax benefits as a percentage of compensation expense, as shown in the preceding table, were 22.6%, 22.1% and 17.8% in 2024, 2023 and 2022, respectively. These percentages differ from the Corporation's federal statutory tax rate of 21%. Tax benefits are only recognized over the vesting period for awards that ordinarily will generate a tax deduction when exercised, in the case of non-qualified stock options, or upon vesting, in the case of restricted stock, RSUs, and PSUs. Tax benefits in excess of the tax rate resulted from incentive stock option exercises that triggered a tax deduction when they were exercised and excess tax benefits realized on vesting RSUs and PSUs during the period.

The following table provides information about stock option activity for the year ended December 31, 2024:

	Stock Options	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Term**	**Aggregate Intrinsic Value (in millions)**
Outstanding and exercisable as of December 31, 2023	40,135	$ 12.61		
Granted	—	—		
Exercised	(39,310)	12.61		
Forfeited	—	—		
Expired	(825)	12.61		
Outstanding and exercisable as of December 31, 2024	—	$ 12.61	0.0 years	$ —

The following table presents information about stock options exercised for the years ended December 31:

	2024	2023	2022
	(dollars in thousands)		
Number of options exercised	**39,310**	68,134	130,503
Total intrinsic value of options exercised	**$ 116**	$ 249	$ 842
Cash received from options exercised	**$ 496**	$ 805	$ 1,402
Tax benefit from options exercised	**$ 23**	$ 47	$ 163

Upon exercise, the Corporation issues shares from its authorized, but unissued, common stock to satisfy the options.

The following table provides information about nonvested restricted stock, RSUs and PSUs granted under the Employee Equity Plan and Directors' Plan for the year ended December 31, 2024:

	Restricted Stock/RSUs/PSUs[(1)]	
	Shares	**Weighted Average Grant Date Fair Value**
Nonvested as of December 31, 2023	2,662,471	$ 14.24
Granted	933,962	15.22
Vested	(739,626)	16.14
Forfeited	(153,810)	14.30
Nonvested as of December 31, 2024	2,702,997	$ 14.57

[(1)] There were no nonvested stock options at December 31, 2024 or 2023.

As of December 31, 2024, there was $11.4 million of total unrecognized compensation cost (pre-tax) related to restricted stock, RSUs and PSUs that will be recognized as compensation expense over a weighted average period of 1.89 years. As of December 31, 2024, the Employee Equity Plan had 3.8 million shares reserved for future grants through 2032, and the Directors' Plan had 325.1 thousand shares reserved for future grants through 2033.

The fair value of certain PSUs with market-based performance conditions granted under the Employee Equity Plan was estimated on the grant date using the Monte Carlo valuation methodology performed by a third-party valuation expert. This valuation is dependent upon certain assumptions, as summarized in the following table:

	2024	2023	2022
Risk-free interest rate	**4.75 %**	3.84 %	2.84 %
Volatility of Corporation's stock	**30.54 %**	35.63 %	43.46 %
Expected life of PSUs	**3 years**	3 years	3 years

The expected life of the PSUs with fair values measured using the Monte Carlo valuation methodology was based on the defined performance period of three years. Volatility of the Corporation's stock was based on historical volatility for the period commensurate with the expected life of the PSUs. The risk-free interest rate is the zero-coupon U.S. Treasury rate commensurate with the expected life of the PSUs on the date of the grant. Based on the assumptions above, the Corporation calculated an estimated fair value per PSU with market-based performance conditions granted in 2024, 2023 and 2022 of $19.59, $10.63 and $14.93, respectively.

Under the ESPP, eligible employees can purchase stock of the Corporation at 85% of the fair market value of the stock on the date of purchase. The ESPP is considered to be a compensatory plan and, as such, compensation expense is recognized for the 15% discount on shares purchased. The following table summarizes activity under the ESPP:

	2024	2023	2022
ESPP shares purchased	**133,019**	162,667	134,645
Average purchase price per share (85% of market value)	**$ 14.55**	$ 11.68	$ 14.06
Compensation expense recognized (in thousands)	**$ 342**	$ 348	$ 334

NOTE 17 - EMPLOYEE BENEFIT PLANS

The following summarizes retirement plan expense for the years ended December 31:

	2024	2023	2022
	(dollars in thousands)		
401(k) Retirement Plan	**$ 13,739**	$ 11,930	$ 10,988
Pension Plan	**(1,036)**	464	(1,347)
Total	**$ 12,703**	$ 12,394	$ 9,641

The 401(k) Retirement Plan is a defined contribution plan under which eligible employees may defer a portion of their pre-tax covered compensation on an annual basis, with employer matches of up to 5% of employee compensation. Employee and employer contributions under these features are 100% vested.

Contributions to the Pension Plan are actuarially determined and funded annually, if necessary. The Corporation recognizes the funded status of its Pension Plan on the consolidated balance sheets and recognizes the changes in that funded status through OCI. The Pension Plan has been curtailed, with no additional benefits accruing to participants.

Pension Plan

The net periodic pension cost for the Pension Plan, as determined by consulting actuaries, consisted of the following components for the years ended December 31:

	2024	2023	2022
	(dollars in thousands)		
Interest cost	**$ 3,159**	$ 3,269	$ 2,393
Expected return on assets	**(3,903)**	(3,436)	(4,393)
Net amortization and deferral	**—**	631	653
Gain on settlement	**(292)**	—	—
Net periodic pension cost	**$ (1,036)**	$ 464	$ (1,347)

The following table summarizes the changes in the projected benefit obligation and fair value of Pension Plan assets for the plan years ended December 31:

	2024	2023
	(dollars in thousands)	
Projected benefit obligation at beginning of year	**$ 68,952**	$ 68,716
Interest cost	**3,159**	3,269
Benefit payments	**(8,843)**	(4,687)
Change in assumptions	**(4,323)**	1,492
Experience gain	**484**	162
Projected benefit obligation at end of year	**$ 59,429**	$ 68,952
Fair value of plan assets at beginning of year	**$ 84,659**	$ 78,137
Actual return on plan assets	**9,779**	11,209
Benefit payments	**(8,843)**	(4,687)
Fair value of plan assets at end of year	**$ 85,595**	$ 84,659

The following table presents the funded status of the Pension Plan, included in other assets and other liabilities on the consolidated balance sheets, as of December 31:

	2024	2023
	(dollars in thousands)	
Projected benefit obligation	**$ (59,429)**	$ (68,952)
Fair value of plan assets	**85,595**	84,659
Funded status	**$ 26,166**	$ 15,707

The following table summarizes the changes in the unrecognized net loss included as a component of AOCI:

	Unrecognized Net Loss (Gain)	
	Before tax	**Net of tax**
	(dollars in thousands)	
Balance as of December 31, 2022	$ 12,070	$ 9,384
Recognized as a component of 2023 periodic pension cost	(631)	(492)
Unrecognized gains arising in 2023	(6,119)	(4,775)
Balance as of December 31, 2023	**5,320**	**4,117**
Recognized as a component of 2024 periodic pension cost	**—**	**—**
Unrecognized gains arising in 2024	**(9,417)**	**(7,284)**
Balance as of December 31, 2024	**$ (4,097)**	**$ (3,167)**

The following rates were used to calculate the net periodic pension cost and the present value of benefit obligations as of December 31:

	2024	2023	2022
Discount rate-projected benefit obligation	**5.38 %**	4.73 %	4.93 %
Expected long-term rate of return on plan assets	**5.00 %**	5.00 %	5.00 %

The discount rates used were determined using the FTSE Pension Discount Curve (formerly, the Citigroup Average Life discount rate table), as adjusted based on the Pension Plan's expected benefit payments.

The 5.00% long-term rate of return on plan assets used to calculate the net periodic pension cost was based on historical returns, adjusted for expectations of long-term asset returns based on the December 31, 2024 weighted average asset allocations. The expected long-term return is considered to be appropriate based on the asset mix and the historical returns realized.

The following table presents a summary of the fair values of the Pension Plan's assets as of December 31:

	2024		2023	
	Estimated Fair Value	**% of Total Assets**	Estimated Fair Value	% of Total Assets
	(dollars in thousands)			
Equity mutual funds	**$ 31,369**		$ 27,998	
Equity common trust funds	**16,486**		20,246	
Equity securities	**47,855**	**55.9 %**	48,244	57.0 %
Cash and money market funds	**5,534**		6,276	
Fixed income mutual funds	**13,590**		12,639	
Corporate debt securities	**4,090**		2,600	
U.S. Government agency securities	**9,493**		9,908	
Fixed income securities and cash	**32,707**	**38.2 %**	31,423	37.1 %
Other alternative investment funds	**5,033**	**5.9 %**	4,992	5.9 %
Total	**$ 85,595**	**100.0 %**	$ 84,659	100.0 %

Investment allocation decisions are made by a retirement plan committee. The goal of the investment allocation strategy is to match certain benefit obligations with maturities of fixed income securities. Alternative investments may include managed futures, commodities, real estate investment trusts, master limited partnerships, and long-short strategies with traditional stocks and bonds. All alternative investments are in the form of mutual funds, not individual contracts, to enable daily liquidity.

The fair values for assets held by the Pension Plan are based on quoted prices for identical instruments and would be categorized as Level 1 assets under the fair value hierarchy.

Estimated future benefit payments are as follows (in thousands):

Year	
2025	$ 4,938
2026	5,005
2027	5,050
2028	5,058
2029	5,039
Thereafter	24,533
Total	$ 49,623

Multiemployer Defined Benefit Pension Plan

In connection with the Merger, the Corporation assumed the pension plan obligations of Prudential Bancorp, under the Prudential Bancorp Pension Plan, that had previously been closed to new Prudential Bancorp participants.

The Prudential Bancorp Pension Plan is structured as a multiple employer plan under Internal Revenue Code Section 413(c). It maintains a single trust and all assets are commingled and invested on a pooled basis. All amounts payable by the Plan are a general charge upon all its assets. This structure gives rise to the risk if a participating employer fails before funding up to cover the liabilities of its participants and orphans, contributions for all remaining employers will increase, as assets have to be re-allocated to cover such shortfall.

Information regarding the Prudential Bancorp Pension Plan as of December 31, 2024 is as follows:

Legal Name of Plan	Prudential Bancorp Pension Plan
	(dollars in thousands)
Plan Employer Identification Number	23-1928421
The Corporation's contribution for the year ended December 31, 2024[1]	$ 355
Are the Corporation's contributions more than 5% of total contributions?	No
Funded Status	80.81 %

[1] Includes 2025 prepayment of $138 thousand.

Postretirement Benefits

The Corporation provides medical benefits and life insurance benefits under the Postretirement Plan to certain retired full-time employees who were employees of the Corporation prior to January 1, 1998. Prior to February 1, 2014, certain full-time employees became eligible for these discretionary benefits if they reached retirement age while working for the Corporation. The Corporation recognizes the funded status of the Postretirement Plan on the consolidated balance sheets and recognizes the changes in that funded status through OCI.

The components of the net benefit for Postretirement Plan other than pensions are as follows:

	2024	2023	2022
	(dollars in thousands)		
Interest cost	**$ 38**	$ 42	$ 34
Net amortization and deferral	**(541)**	(558)	(525)
Net postretirement benefit	**$ (503)**	$ (516)	$ (491)

This table summarizes the changes in the accumulated postretirement benefit obligation for the years ended December 31:

	2024	2023
	(dollars in thousands)	
Accumulated postretirement benefit obligation at beginning of year	**$ 844**	$ 972
Interest cost	**38**	42
Benefit payments	**(135)**	(147)
Change in experience	**42**	(31)
Change in assumptions	**(36)**	8
Accumulated postretirement benefit obligation at end of year	**$ 753**	$ 844

The fair values of the Postretirement Plan assets were $0 as of both December 31, 2024 and 2023. The funded status for the Postretirement Plan included in other liabilities was $0.8 million in the consolidated balance sheets as of December 31, 2024 and 2023, respectively.

The following table summarizes the changes in items recognized as a component of accumulated other comprehensive income (loss):

	Before tax			
	Unrecognized Prior Service Cost	Unrecognized Net Loss (Gain)	Total	Net of tax
	(dollars in thousands)			
Balance as of December 31, 2022	$ (2,084)	$ (818)	$ (2,902)	$ (2,264)
Recognized as a component of 2023 postretirement cost	464	94	558	435
Unrecognized gains arising in 2023	—	(23)	(23)	(18)
Balance as of December 31, 2023	**(1,620)**	**(747)**	**(2,367)**	**(1,847)**
Recognized as a component of 2024 postretirement cost	**464**	**77**	**541**	**422**
Unrecognized loss arising in 2024	**—**	**6**	**6**	**5**
Balance as of December 31, 2024	**$ (1,156)**	**$ (664)**	**$ (1,820)**	**$ (1,420)**

The following rates were used to calculate net periodic postretirement benefit cost and the present value of benefit obligations as of December 31:

	2024	2023	2022
Discount rate-projected benefit obligation	**5.38 %**	4.73 %	4.93 %
Expected long-term rate of return on plan assets	**3.00 %**	3.00 %	3.00 %

The discount rates used to calculate the accumulated postretirement benefit obligation were determined using the FTSE Pension Discount Curve (formerly, the Citigroup Average Life discount rate table), as adjusted based on the Postretirement Plan's expected benefit payments.

Estimated future benefit payments under the Postretirement Plan are as follows (dollars in thousands):

Year	
2025	$ 129
2026	116
2027	103
2028	92
2029	81
Thereafter	270
Total	$ 791

NOTE 18 - LEASES

The Corporation has operating leases for certain financial centers, corporate offices and land.

The following table presents the components of lease expense, which is included in net occupancy expense on the consolidated statements of income (dollars in thousands):

	2024	2023	2022
Operating lease expense	**$ 27,893**	$ 19,372	$ 17,766
Variable lease expense	**3,147**	3,160	3,017
Sublease income	**(1,224)**	(1,111)	(964)
Total lease expense	**$ 29,816**	$ 21,421	$ 19,819

Supplemental consolidated balance sheet information related to leases was as follows as of December 31 (dollars in thousands):

Operating Leases	Balance Sheet Classification	2024	2023
ROU assets	Other assets	**$ 140,997**	$ 88,188
Lease liabilities	Other liabilities	**$ 154,176**	$ 95,230
Weighted average remaining lease term		**9.30 years**	6.48 years
Weighted average discount rate		**5.51 %**	3.34 %

The discount rate used in determining the lease liability for each individual lease is the Bank's incremental borrowing rate which corresponds with the remaining lease term.

Supplemental cash flow information related to operating leases was as follows (dollars in thousands):

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities	**$ 25,161**	$ 20,898
ROU assets obtained in exchange for lease obligations	**78,278**	20,184

Lease payment obligations for each of the next five years and thereafter, with a reconciliation to the Corporation's lease liability were as follows (dollars in thousands):

Year	Operating Leases
2025	$ 27,122
2026	25,744
2027	23,464
2028	20,254
2029	16,669
Thereafter	91,077
Total lease payments	204,330
Less: imputed interest	(50,154)
Present value of lease liabilities	$ 154,176

On May 10, 2024, the Bank and Fulton Financial Realty Company, a wholly owned subsidiary of the Corporation, entered into the Sale-Leaseback Transaction for 40 financial center office locations for an aggregate cash purchase price of $55.4 million. The Bank entered into a lease for each of the locations sold in the Sale-Leaseback Transaction for an initial term of 15 years, with the option to extend the term of each for up to three successive terms of up to five years each. During the initial lease terms, the base rental amount will increase annually at a rate of 2.25%. The Corporation recorded a pre-tax gain, after deduction of transaction-related expenses, of approximately $20.3 million in connection with the Sale-Leaseback Transaction. The properties are located in Pennsylvania, New Jersey, Delaware, and Maryland.

As of December 31, 2024, the Corporation had not entered into any significant leases that have not yet commenced.

NOTE 19 - FAIR VALUE MEASUREMENTS

The following tables present assets and liabilities measured at fair value on a recurring basis and reported on the consolidated balance sheets:

	2024			
	Level 1	Level 2	Level 3	Total
	(dollars in thousands)			
Loans held for sale	$ —	$ 25,618	$ —	$ 25,618
Available for sale investment securities:				
State and municipal securities	—	814,887	—	814,887
Corporate debt securities	—	300,370	—	300,370
Collateralized mortgage obligations	—	788,885	—	788,885
Residential mortgage-backed securities	—	989,875	—	989,875
Commercial mortgage-backed securities	—	516,882	—	516,882
Total available for sale investment securities	—	3,410,899	—	3,410,899
Other assets:				
Investments held in Rabbi Trust	35,093	—	—	35,093
Derivative assets	1,682	159,939	—	161,621
Total assets	$ 36,775	$ 3,596,456	$ —	$ 3,633,231
Other liabilities:				
Deferred compensation liabilities	$ 35,093	$ —	$ —	$ 35,093
Derivative liabilities	1,596	252,821	—	254,417
Total liabilities	$ 36,689	$ 252,821	$ —	$ 289,510

	2023			
	Level 1	Level 2	Level 3	Total
	(dollars in thousands)			
Loans held for sale	$ —	$ 15,158	$ —	$ 15,158
Available for sale investment securities:				
U.S. Government securities	42,161	—	—	42,161
U.S. Government-sponsored agency securities	—	1,010	—	1,010
State and municipal securities	—	1,072,013	—	1,072,013
Corporate debt securities	—	440,551	—	440,551
Collateralized mortgage obligations	—	111,434	—	111,434
Residential mortgage-backed securities	—	196,795	—	196,795
Commercial mortgage-backed securities	—	534,388	—	534,388
Total available for sale investment securities	42,161	2,356,191	—	2,398,352
Other assets:				
Investments held in Rabbi Trust	29,819	—	—	29,819
Derivative assets	572	157,540	—	158,112
Total assets	$ 72,552	$ 2,528,889	$ —	$ 2,601,441
Other liabilities:				
Deferred compensation liabilities	$ 29,819	$ —	$ —	$ 29,819
Derivative liabilities	477	246,157	—	246,634
Total liabilities	$ 30,296	$ 246,157	$ —	$ 276,453

The valuation techniques used to measure fair value for the items in the preceding tables are as follows:

Loans held for sale - This category includes mortgage loans held for sale that are measured at fair value. Fair values as of December 31, 2024 and 2023, were measured as the price that secondary market investors were offering for loans with similar characteristics. See "Note 1 - Summary of Significant Accounting Policies" for details related to the Corporation's election to measure assets and liabilities at fair value.

Available for sale investment securities - Included in this asset category are debt securities. Level 2 investment securities are valued by a third-party pricing service. The pricing service uses pricing models that vary based on asset class and incorporate available market information, including quoted prices of investment securities with similar characteristics. Because many fixed income securities do not trade on a daily basis, pricing models use available information, as applicable, through processes such as benchmark yield curves, benchmarking of like securities, sector groupings and matrix pricing.

Standard market inputs include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data, including market research publications. For certain security types, additional inputs may be used, or some of the standard market inputs may not be applicable.

- U.S. Government securities - These securities are classified as Level 1. Fair values are based on quoted prices with active markets.

- U.S. Government-sponsored agency securities/State and municipal securities/Collateralized mortgage obligations/Residential mortgage-backed securities/Commercial mortgage-backed securities - These debt securities are classified as Level 2. Fair values are determined by a third-party pricing service, as detailed above.

- Corporate debt securities - These securities are classified as Level 2. This category consists of subordinated and senior debt issued by financial institutions ($293.1 million at December 31, 2024 and $433.4 million at December 31, 2023) and other corporate debt issued by non-financial institutions ($7.3 million at December 31, 2024 and $7.2 million at December 31, 2023). The fair values for corporate debt securities are determined by a third-party pricing service as detailed above.

Investments held in Rabbi Trust - This category consists of mutual funds that are held in trust for employee deferred compensation plans that the Corporation has elected to measure at fair value. Shares of mutual funds are valued based on net asset value, which represents quoted market prices for the underlying shares held in the mutual funds, and as such, are classified as Level 1.

Derivative assets - Fair value of foreign currency exchange contracts classified as Level 1 assets ($1.7 million at December 31, 2024 and $0.6 million at December 31, 2023). The foreign exchange prices used to measure these items at fair value are based on quoted prices for identical instruments in active markets.

Level 2 assets, representing the fair value of mortgage banking derivatives in the form of interest rate locks and forward commitments with secondary market investors ($0.8 million at December 31, 2024 and $0.5 million at December 31, 2023) and the fair value of interest rate derivatives ($159.2 million at December 31, 2024 and $157.1 million at December 31, 2023). The fair values of the interest rate locks, forward commitments and interest rate derivatives represent the amounts that would be required to settle the derivative financial instruments at the balance sheet date. See "Note 11 - Derivative Financial Instruments," for additional information.

Deferred compensation liabilities - Fair value of amounts due to employees under deferred compensation plans, classified as Level 1 liabilities and are included in other liabilities on the consolidated balance sheets. The fair values of these liabilities are determined in the same manner as the related assets, as described under the heading "Investments held in Rabbi Trust" above.

Derivative liabilities - Level 1 liabilities, representing the fair value of foreign currency exchange contracts ($1.6 million and $0.5 million at December 31, 2024 and 2023, respectively).

Level 2 liabilities, representing the fair value of mortgage banking derivatives in the form of interest rate locks and forward commitments with secondary market investors ($0.1 million at December 31, 2024 and $0.9 million at December 31, 2023) and the fair value of interest rate derivatives ($252.8 million at December 31, 2024 and $245.6 million at December 31, 2023).

The fair values of these liabilities are determined in the same manner as the related assets, as described under the heading "Derivative assets" above.

Certain financial instruments are not measured at fair value on an ongoing basis but are subject to fair value measurement in certain circumstances, such as upon their acquisition or when there is evidence of impairment. The following table presents Level 3 financial assets measured at fair value on a nonrecurring basis:

	2024	2023
	(dollars in thousands)	
Loans, Net	**$ 168,668**	$ 102,135
OREO	**2,621**	896
MSRs[1]	**53,972**	49,696
SBA servicing asset	**3,120**	—
Total assets	**$ 228,381**	$ 152,727

[1] Amounts shown are estimated fair value. MSRs are recorded on the Corporation's consolidated balance sheets at lower of amortized cost or fair value. See "Note 8 - Mortgage Servicing Rights" for additional information.

The valuation techniques used to measure fair value for the items in the table above are as follows:

- Loans, net – This category consists of loans that were individually evaluated for impairment and have been classified as Level 3 assets. The amount shown is the balance of non-accrual loans, net of related ACL. See "Note 5 - Loans and Allowance for Credit Losses," for additional details.

- OREO – This category consists of OREO classified as Level 3 assets, for which the fair values were based on estimated selling prices less estimated selling costs for similar assets in active markets.

- MSRs – This category consists of MSRs, which were initially recorded at fair value upon the sale of residential mortgage loans to secondary market investors, and subsequently carried at the lower of amortized cost or fair value. MSRs are amortized as a reduction to servicing income over the estimated lives of the underlying loans. MSRs are stratified by product type and evaluated for impairment by comparing each stratum's carrying amount to its estimated fair value. Fair values are determined at the end of each quarter through a discounted cash flows valuation performed by a third-party valuation expert. Significant inputs to the valuation included expected net servicing income, the discount rate and the expected life of the underlying loans. Expected life is based on the contractual terms of the loans, as adjusted for prepayment projections. The weighted average annual constant prepayment rate and the weighted average discount rate used in the December 31, 2024 valuation were 7.9% and 9.5%, respectively. Management reviews the reasonableness of the significant inputs to the third-party valuation in comparison to market data. See "Note 8 - Mortgage Servicing Rights," for additional information. Changes in any of those inputs, in isolation, could result in a significantly different fair value measurement, as depicted in the table below:

Significant Input	**Scenario Shock**	**% Change in Valuation**
Prepayment Rate	+ 15%	(4)%
Prepayment Rate	- 15%	4%
Discount Rate	- 200 bps	10%
Discount Rate	+ 200 bps	(9)%

- SBA servicing asset – This category consists of the retained servicing rights on SBA-guaranteed loans sold to investors. The standard sale structure under the SBA Secondary Participation Guaranty Agreement provides for the Corporation to retain a portion of the cash flow from the interest payment received on the SBA guaranteed portion of the loan, which is commonly known as a servicing spread. A third-party valuation expert is utilized to perform the modeling to estimate the fair value of the SBA servicing asset. Since the valuation model uses significant unobservable inputs, the SBA servicing asset is classified within Level 3.

The following table details the book values and the estimated fair values of the Corporation's financial instruments as of December 31, 2024 and 2023. A general description of the methods and assumptions used to estimate such fair values is also provided.

	2024				
		Estimated Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS	(dollars in thousands)				
Cash and cash equivalents	**$ 1,063,871**	**$ 1,063,871**	**$ —**	**$ —**	**$ 1,063,871**
FRB and FHLB stock	**139,574**	**—**	**139,574**	**—**	**139,574**
Loans held for sale	**25,618**	**—**	**25,618**	**—**	**25,618**
AFS securities	**3,410,899**	**—**	**3,410,899**	**—**	**3,410,899**
HTM securities	**1,395,569**	**—**	**1,183,449**	**—**	**1,183,449**
Loans, net	**23,665,763**	**—**	**—**	**22,555,687**	**22,555,687**
Accrued interest receivable	**117,029**	**117,029**	**—**	**—**	**117,029**
Other assets	**736,502**	**543,251**	**159,939**	**59,713**	**762,903**
FINANCIAL LIABILITIES					
Demand and savings deposits	**$ 21,135,478**	**$ 21,135,478**	**$ —**	**$ —**	**$ 21,135,478**
Brokered deposits	**843,857**	**145,056**	**698,647**	**—**	**843,703**
Time deposits	**4,150,098**	**—**	**4,154,726**	**—**	**4,154,726**
Accrued interest payable	**31,620**	**31,620**	**—**	**—**	**31,620**
FHLB advances	**850,000**	**851,470**	**—**	**—**	**851,470**
Senior debt and subordinated debt	**367,316**	**—**	**253,818**	**—**	**253,818**
Other borrowings	**564,732**	**544,908**	**901**	**—**	**545,809**
Other liabilities	**467,011**	**200,029**	**252,821**	**14,161**	**467,011**

	2023				
		Estimated Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS	(dollars in thousands)				
Cash and cash equivalents	$ 549,710	$ 549,710	$ —	$ —	$ 549,710
FRB and FHLB stock	124,405	—	124,405	—	124,405
Loans held for sale	15,158	—	15,158	—	15,158
AFS securities	2,398,352	42,161	2,356,191	—	2,398,352
HTM securities	1,267,922	—	1,072,207	—	1,072,207
Loans, net	21,057,690	—	—	19,930,560	19,930,560
Accrued interest receivable	107,972	107,972	—	—	107,972
Other assets	661,067	452,935	157,540	50,592	661,067
FINANCIAL LIABILITIES					
Demand and savings deposits	$ 17,653,690	$ 17,653,690	$ —	$ —	$ 17,653,690
Brokered deposits	1,144,692	145,987	999,392	—	1,145,379
Time deposits	2,739,241	—	2,714,709	—	2,714,709
Accrued interest payable	35,083	35,083	—	—	35,083
Federal funds purchased	240,000	240,000	—	—	240,000
FHLB advances	1,100,000	1,094,013	—	—	1,094,013
Senior debt and subordinated debt	535,384	—	463,270	—	463,270
Other borrowings	612,142	611,269	837	—	612,106
Other liabilities	429,046	165,635	246,157	17,254	429,046

Fair values of financial instruments are significantly affected by the assumptions used, principally the timing of future cash flows and discount rates. Because assumptions are inherently subjective in nature, the estimated fair values cannot be substantiated by comparison to independent market quotes and, in many cases, the estimated fair values could not necessarily be realized in an immediate sale or settlement of the instrument. The aggregate fair value amounts presented do not necessarily represent management's estimate of the underlying value of the Corporation.

For short-term financial instruments, defined as those with remaining maturities of 90 days or less, and excluding those recorded at fair value on the Corporation's consolidated balance sheets, book value was considered to be a reasonable estimate of fair value.

The following instruments are predominantly short-term:

Assets	Liabilities
Cash and cash equivalents	Demand and savings deposits
Accrued interest receivable	Other borrowings
	Accrued interest payable

FRB and FHLB stock represent restricted investments and are carried at cost on the consolidated balance sheets, which is a reasonable estimate of fair value.

As of December 31, 2024, fair values for loans and time deposits were estimated by discounting future cash flows using the current rates, as adjusted for liquidity considerations, at which similar loans would be made to borrowers and similar deposits would be issued to customers for the same remaining maturities. Fair values of loans also include estimated credit losses that would be assumed in a market transaction, which represents estimated exit prices.

Brokered deposits consist of demand and saving deposits, which are classified as Level 1, and time deposits, which are classified as Level 2. The fair value of these deposits is determined in a manner consistent with the respective type of deposit discussed above.

NOTE 20 - SEGMENT REPORTING

The Corporation has one reportable segment whose primary sources of revenue are interest income on loans, investment securities and other interest-earning assets and fee income earned on its products and services. Its expenses consist of interest expense on deposits and borrowed funds, provision for credit losses, other operating expenses and income taxes. The Corporation manages its business activities on a consolidated basis.

The accounting policies of the segment are the same as those described in “Note 1 – Summary of Significant Accounting Policies.”

The Chief Operating Decision Maker is the Chairman and Chief Executive Officer (“CEO”) who assesses performance of the segment based on net income available to common shareholders and net income available to common shareholders per share (diluted), which is reported in the Consolidated Statements of Income.

Net income available to common shareholders and net income available to common shareholders per share (diluted), are used to monitor actual results versus budget, in competitive analyses by benchmarking to the Corporation’s peers, and in decision-making pertaining to executive compensation levels, common stock and preferred stock dividend levels, common share repurchases and capital expenditure spending.

The measure of segment assets is reported on the Consolidated Balance Sheet.

The following table presents segment results as of December 31:

(dollars in thousands, except per-share data)

	2024	2023	2022
Interest Income			
Loans, including fees	**$ 1,394,969**	$ 1,156,373	$ 758,609
Investment securities	**136,650**	101,518	98,115
Other interest income	**50,577**	15,345	8,114
Total Interest Income	**1,582,196**	1,273,236	864,838
Interest Expense			
Deposits	**521,859**	292,205	43,829
Federal funds purchased	**2,881**	30,417	2,967
FHLB advances	**37,793**	46,965	7,334
Senior debt and subordinated debt	**20,255**	21,361	22,257
Other borrowings and interest-bearing liabilities	**39,083**	28,002	6,817
Total Interest Expense	**621,871**	418,950	83,204
Net Interest Income	**960,325**	854,286	781,634
Provision for credit losses	**71,636**	54,036	28,021
Net Interest Income After Provision for Credit Losses	**888,689**	800,250	753,613
Total Non-Interest Income	**275,731**	227,678	227,130
Non-Interest Expense			
Salaries and employee benefits	**432,821**	377,417	356,884
Data processing and software	**77,882**	66,471	60,255
Net occupancy	**69,359**	58,019	56,195
Other outside services	**60,586**	47,724	37,152
FDIC insurance	**23,829**	25,565	12,547
Equipment	**17,850**	14,390	14,033
Intangible amortization	**17,830**	2,944	1,731
Professional fees	**10,857**	8,392	9,123
Marketing	**8,958**	9,004	6,885
Acquisition-related expenses	**37,635**	—	10,328
Other	**62,184**	69,281	68,595
Total Non-Interest Expense	**819,791**	679,207	633,728
Income Before Income Taxes	**344,629**	348,721	347,015
Income taxes	**55,886**	64,441	60,034
Net Income	**288,743**	284,280	286,981
Preferred stock dividends	**(10,248)**	(10,248)	(10,248)
Net Income Available to Common Shareholders	**$ 278,495**	$ 274,032	$ 276,733
Net income available to common shareholders per share (diluted)	**$ 1.57**	$ 1.64	$ 1.67

NOTE 21 - COMMITMENTS AND CONTINGENCIES

Commitments

The Corporation is a party to financial instruments with OBS risk in the normal course of business to meet the financing needs of its borrowers or obligors.

Commitments to extend credit are agreements to lend to a borrower or obligor as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee by the borrower or obligor. Since a portion of the commitments is expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Corporation evaluates each borrower's or obligor's creditworthiness on a case-by-case basis. The amount of collateral, if any, obtained upon extension of credit is based on management's credit evaluation of the borrower or obligor. Collateral held varies but may include accounts receivable, inventory, property, equipment and income-producing commercial properties.

Standby letters of credit are conditional commitments issued to guarantee the financial or performance obligation of a borrower or obligor to a third party. Commercial letters of credit are conditional commitments issued to facilitate foreign and domestic trade transactions for borrowers or obligors. The credit risk involved in issuing letters of credit is similar to that involved in extending loan facilities. These obligations are underwritten consistent with commercial lending standards. The maximum exposure to loss for standby and commercial letters of credit is equal to the contractual (or notional) amount of the instruments.

The following table presents the Corporation's commitments to extend credit and letters of credit:

	2024	2023
	(dollars in thousands)	
Commercial and industrial	**$ 4,967,334**	$ 4,929,981
Real estate - commercial mortgage and real estate - construction	**1,706,879**	1,867,830
Real estate - home equity	**2,154,382**	1,992,700
Total commitments to extend credit	**$ 8,828,595**	$ 8,790,511
Standby letters of credit	**$ 279,309**	$ 264,440
Commercial letters of credit	**48,993**	67,396
Total letters of credit	**$ 328,302**	$ 331,836

Residential Lending

The Corporation originates and sells residential mortgages to secondary market investors. The Corporation provides customary representations and warranties to secondary market investors that specify, among other things, that the loans have been underwritten to the standards of the secondary market investor. The Corporation may be required to repurchase specific loans or reimburse the investor for a credit loss incurred on a sold loan if it is determined that the representations and warranties have not been met. Under some agreements with secondary market investors, the Corporation may have additional credit exposure beyond customary representations and warranties, based on the specific terms of those agreements.

The Corporation maintains a reserve for estimated losses related to loans sold to investors. As of December 31, 2024 and 2023, the total reserve for losses on residential mortgage loans sold was $1.5 million and $1.8 million, respectively, including reserves for both representation and warranty and credit loss exposures. In addition, included as a component of ACL for OBS credit exposures was $1.2 million and $2.7 million as of December 31, 2024 and December 31, 2023, respectively, related to additional credit exposure for potential loan repurchases.

Legal Proceedings

The Corporation is involved in various pending and threatened claims and other legal proceedings in the ordinary course of its business activities. The Corporation evaluates the possible impact of these matters, taking into consideration the most recent information available. A loss reserve is established for those matters for which the Corporation believes a loss is both probable and reasonably estimable. Once established, the reserve is adjusted as appropriate to reflect any subsequent developments. Actual losses with respect to any such matter may be more or less than the amount estimated by the Corporation. For matters where a loss is not probable, or the amount of the loss cannot be reasonably estimated by the Corporation, no loss reserve is established.

In addition, from time to time, the Corporation is involved in investigations or other forms of regulatory or governmental inquiry covering a range of possible issues and, in some cases, these may be part of similar reviews of the specified activities of other companies. These inquiries or investigations could lead to administrative, civil or criminal proceedings involving the Corporation, and could result in fines, penalties, restitution, other types of sanctions, or the need for the Corporation to undertake remedial actions, or to alter its business, financial or accounting practices. The Corporation's practice is to cooperate fully with regulatory and governmental inquiries and investigations.

As of the date of this report, the Corporation believes that any liabilities, individually or in the aggregate, that may result from the final outcomes of pending legal proceedings, or regulatory or governmental inquiries or investigations, will not have a material adverse effect on the financial condition of the Corporation. However, legal proceedings, inquiries and investigations are often unpredictable, and it is possible that the ultimate resolution of any such matters, if unfavorable, may be material to the Corporation's results of operations in any future period, depending, in part, upon the size of the loss or liability imposed and the operating results for the period, and could have a material adverse effect on the Corporation's business. In addition, regardless of the ultimate outcome of any such legal proceeding, inquiry or investigation, any such matter could cause the Corporation to incur additional expenses, which could be significant, and possibly material, to the Corporation's results of operations in any future period.

NOTE 22 - CONDENSED FINANCIAL INFORMATION - PARENT COMPANY ONLY

CONDENSED BALANCE SHEETS

	December 31,	
	2024	2023
	(dollars in thousands)	
ASSETS		
Cash and cash equivalents	**$ 78,566**	$ 171,433
Other assets	**68,375**	62,500
Receivable from subsidiaries	**126,430**	276,215
Investments in:		
Bank subsidiary	**3,309,613**	2,794,106
Non-bank subsidiaries	**47,666**	42,496
Total Assets	**$ 3,630,650**	$ 3,346,750
LIABILITIES AND EQUITY		
Senior and subordinated debt	**$ 367,316**	$ 535,384
Other liabilities	**66,009**	51,227
Total Liabilities	**433,325**	586,611
Shareholders' equity	**3,197,325**	2,760,139
Total Liabilities and Shareholders' Equity	**$ 3,630,650**	$ 3,346,750

CONDENSED STATEMENTS OF INCOME

	2024	2023	2022
	(dollars in thousands)		
Income:			
Dividends from subsidiaries	**$ 75,000**	$ 300,000	$ 207,000
Other	**2,237**	794	725
	77,237	300,794	207,725
Expenses	**42,572**	37,448	51,887
Income before income taxes and equity in undistributed net income of subsidiaries	**34,665**	263,346	155,838
Income tax benefit	**(9,070)**	(7,861)	(12,331)
	43,735	271,207	168,169
Equity in undistributed net income (loss) of:			
Bank subsidiaries	**239,677**	8,932	121,388
Non-bank subsidiaries	**5,331**	4,141	(2,576)
Net Income	**288,743**	284,280	286,981
Preferred stock dividends	**(10,248)**	(10,248)	(10,248)
Net Income Available to Common Shareholders	**$ 278,495**	$ 274,032	$ 276,733

CONDENSED STATEMENTS OF CASH FLOWS

	2024	2023	2022
	(dollars in thousands)		
Cash Flows From Operating Activities:			
Net Income	**$ 288,743**	$ 284,280	$ 286,981
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of issuance costs and discount of long-term debt	**710**	750	724
Stock-based compensation	**10,516**	12,540	14,000
Net change in other assets	**(83,081)**	(37,591)	44,790
Equity in undistributed net (income) loss of subsidiaries	**(245,009)**	(13,073)	(120,213)
Net change in other liabilities and payables to non-bank subsidiaries	**(4,504)**	(50,047)	(198,349)
Total adjustments	**(321,368)**	(87,421)	(259,048)
Net cash (used in) provided by operating activities	**(32,625)**	196,859	27,933
Cash Flows From Investing Activities			
Net cash paid for acquisition	**—**	—	(21,811)
Net cash used in investing activities	**—**	—	(21,811)
Cash Flows From Financing Activities:			
Repayments of long-term borrowings	**(168,778)**	(5,000)	(81,496)
Net proceeds from common stock	**270,582**	3,160	7,876
Dividends paid	**(131,698)**	(115,738)	(116,009)
Acquisition of treasury stock	**(30,348)**	(77,056)	—
Net cash used in financing activities	**(60,242)**	(194,634)	(189,629)
Net (decrease) increase in Cash and Cash Equivalents	**(92,867)**	2,225	(183,507)
Cash and Cash Equivalents at Beginning of Year	**171,433**	169,208	352,715
Cash and Cash Equivalents at End of Year	**$ 78,566**	$ 171,433	$ 169,208

Management Report on Internal Control Over Financial Reporting

The management of Fulton Financial Corporation is responsible for establishing and maintaining adequate internal control over financial reporting. Fulton Financial Corporation's internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Republic First Transaction was completed on April 26, 2024, as further discussed in "Note 2—Business Combinations." System conversion was completed in the fourth quarter of 2024. The Corporation acquired substantially all of the assets and assumed substantially all of the deposits and certain liabilities of Republic First Bank from the FDIC, as receiver for Republic First Bank. The scope of management's assessment of effectiveness of the Corporation's internal control over financial reporting as of December 31, 2024, excludes the internal control over financial reporting associated with total acquired assets of approximately $4.8 billion and total net revenues of $156.2 million for the year ended December 31, 2024.

Management assessed the effectiveness of the Corporation's internal control over financial reporting as of December 31, 2024, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework (2013). Based on this assessment, management concluded that, as of December 31, 2024, the Corporation's internal control over financial reporting is effective based on those criteria.

/s/ CURTIS J. MYERS

Curtis J. Myers
Chairman and Chief Executive Officer

/s/ RICHARD S. KRAEMER

Richard S. Kraemer
Senior Executive Vice President and Chief Financial Officer

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors
Fulton Financial Corporation:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Fulton Financial Corporation and subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024 based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

The Company acquired substantially all of the assets and assumed substantially all of the deposits and certain liabilities of Republic First Bank from the FDIC, as receiver for Republic First Bank. The scope of management's assessment of effectiveness of the Company's internal control over financial reporting as of December 31, 2024, excludes the internal control over financial reporting associated with total acquired assets of approximately $4.8 billion and total net revenues of $156.2 million for the year ended December 31, 2024. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Republic First Bank.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of the allowance for credit losses related to loans evaluated collectively for expected credit losses

As discussed in Notes 1 and 5 to the consolidated financial statements, the Company's allowance for credit losses related to loans evaluated collectively for expected credit losses (collective ACL) was $362.3 million of a total allowance for credit losses of $379.2 million as of December 31, 2024. The collective ACL includes the measure of expected credit losses on a collective (pooled) basis for those loans and leases that share similar risk characteristics and uses an undiscounted approach. The Company estimates the collective ACL by applying a probability of default (PD) and loss given default (LGD) to the exposure at default (EAD) at the loan level. The PD models are econometric regression models that utilize the Company's historical credit loss experience and incorporate a reasonable and supportable economic forecast through the use of externally developed macroeconomic scenarios. After a reasonable and supportable forecast period, the forecasted PD rates revert back to a historical average PD rate. The LGD model calculates an LGD estimate for each loan pool utilizing a loss rate approach that is based on the Company's historical charge-off experience. The EAD calculation incorporates constant pre-payment rates, and inputs related to loan level cash flows, maturity dates, and interest rates. The constant pre-payment rates utilized in the EAD calculation are sourced from a prepayment calculation that utilizes the Company's historical loan prepayment history to develop prepayment speeds. The collective ACL also includes qualitative reserve adjustments for factors that are not fully captured in the quantitative models.

We identified the assessment of the valuation of the collective ACL as a critical audit matter. Such assessment involved significant measurement uncertainty requiring especially complex auditor judgment, and specialized skills and knowledge of the industry. In addition, auditor judgment was required to evaluate the sufficiency of audit evidence obtained. The assessment of the collective ACL encompassed the evaluation of the overall ACL methodology, which includes the methods and models used to estimate the PD, LGD, and EAD and their key assumptions and inputs. Key assumptions and inputs used in the estimation of the PD rate include historical default observations, the historical observation period, loan pool segmentation including the use of credit risk ratings for commercial and industrial loans, commercial mortgages and construction loans, and a reasonable and supportable economic forecast which includes reversion to historical average default rates. Key assumptions and inputs used in the estimation of the LGD rate include the loan pool segmentation, historical loss observations, and the historical observation period. Key assumptions and inputs used in the estimation of the EAD include a constant prepayment rate (CPR) and loan level cash flow adjustments. Key assumptions and inputs used in the estimation of the CPR include historical prepayment observations, interest rates, the historical observation period, and loan pool segmentation. The assessment also included an evaluation of the qualitative adjustments, including an evaluation of the methods used by management in estimating this reserve. The collective ACL estimate is sensitive to changes in the assumptions discussed above, such that changes in these assumptions can cause significant changes to the estimate.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's measurement of the collective ACL estimate, including controls over the:

- development of the collective ACL methodology
- development of the PD and LGD models and of the methods used to calculate the CPR and EAD

- identification and determination of the key inputs and assumptions used in the PD and LGD models, and EAD calculation which included key inputs and assumptions within the pre-payment model

- performance monitoring of the PD and LGD models

- development of the qualitative adjustments

- measurement and on-going monitoring of the overall ACL estimate.

We evaluated the Company’s process to develop the collective ACL estimate by testing certain sources of data, factors, and assumptions that the Company used, and considered the relevance and reliability of such data, factors, assumptions, and related methodologies. In addition, we involved credit risk professionals with specialized skills and knowledge who assisted in:

- evaluating the Company's collective ACL methodology for compliance with U.S. generally accepted accounting principles

- evaluating the assumptions and methodologies used in developing the PD rates, LGD rates, and EAD estimate and judgments made by the Company relative to performance monitoring by inspecting management's model and methodology documentation and through comparisons against Company specific metrics, the Company's business environment, and applicable industry and regulatory practices

- determining whether loans are pooled by similar risk characteristics by comparing to the Company's business environment and relevant industry practices

- testing individual credit ratings for a selection of borrowers by evaluating the financial performance of the borrower, sources of repayment, and any relevant guarantees and underlying collateral

- evaluating the methodology used to develop the qualitative adjustments by inspecting management's methodology and development documentation and assessing the effects of these factors on the collective ACL estimate compared with relevant industry practices and Company specific metrics.

We also assessed the sufficiency of the audit evidence obtained related to the collective ACL estimate by evaluating the cumulative results of the audit procedures, qualitative aspects of the Company’s accounting practices, and potential bias in the accounting estimate.

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

Philadelphia, Pennsylvania
February 28, 2025

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

The Corporation carried out an evaluation, under the supervision and with the participation of the Corporation's management, including the Corporation's Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures, as defined in Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon the evaluation, the Corporation's Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2024, the Corporation's disclosure controls and procedures are effective. Disclosure controls and procedures are controls and procedures that are designed to ensure that information required to be disclosed in the Corporation's reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

The "Management Report on Internal Control over Financial Reporting" and the "Report of Independent Registered Public Accounting Firm" may be found in "Item 8, Financial Statements and Supplementary Data" of this document.

Changes in Internal Control over Financial Reporting

Beth Ann L. Chivinski became interim Chief Financial Officer on February 8, 2024. Richard S. Kraemer became Chief Financial Officer on November 1, 2024.

The Republic First Transaction was completed on April 26, 2024, as further discussed in "Note 2—Business Combinations." System conversion was completed in the fourth quarter of 2024. The Corporation acquired substantially all of the assets and assumed substantially all of the deposits and certain liabilities of Republic First Bank from the FDIC, as receiver for Republic First Bank. The scope of management's assessment of effectiveness of the Corporation's internal control over financial reporting as of December 31, 2024, excludes the internal control over financial reporting associated with total acquired assets of approximately $4.8 billion and total net revenues of $156.2 million for the year ended December 31, 2024.

Other than the above, there have been no changes in the Corporation's internal control over financial reporting during the Corporation's fiscal year ended December 31, 2024, that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting as of December 31, 2024.

Item 9B. Other Information

Except as disclosed below, none of the Corporation's directors or "officers" (as defined in Rule 16a-1(f) (17 C.F.R. § 240.16a-1(f))) adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (as those terms are defined in Item 408 of Regulation S-K (17 C.F.R. § 229.408)) during the fiscal quarter ended December 31, 2024.

On October 28, 2024, Angela M. Snyder, President of the Corporation, adopted a Rule 10b5-1 trading arrangement for the sale of up to 13,322 shares of the Corporation's common stock. The trading arrangement will expire on January 26, 2026, unless terminated sooner in accordance with its terms.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Except as furnished below, the information required to be furnished pursuant to this Item 10 is incorporated herein by reference to the Corporation’s 2025 Proxy Statement, which the Corporation intends to file with the SEC not later than 120 days after the end of the 2024 fiscal year.

The Corporation has adopted a code of ethics (Code of Conduct) that applies to all directors, officers and employees, including the Corporation's principal executive officer, principal financial officer and principal accounting officer or controller. A copy of the Code of Conduct may be obtained free of charge by writing to the Corporate Secretary at Fulton Financial Corporation, P.O. Box 4887, Lancaster, Pennsylvania 17604-4887, and is also available via the Internet at www.fultonbank.com. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of the Code of Conduct that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, by posting such information on our website, at the Internet address specified above.

The Corporation has adopted an Insider Trading Policy governing the purchase, sale and/or other dispositions of the Corporation's securities by directors, officers and employees of the Corporation. It is the Corporation's policy to comply with all applicable securities laws, including those relating to insider trading, when engaging in transactions in the Corporation's securities. The Corporation believes that its policies and procedures are reasonably designed to promote compliance with insider trading laws, rules and regulations, and listing standards applicable to the Corporation. A copy of the Corporation's Insider Trading Policy is filed as Exhibit 19 to this Annual Report on Form 10-K.

Item 11. Executive Compensation

The information required to be furnished pursuant to this Item 11 is incorporated herein by reference to the Corporation’s 2025 Proxy Statement, which the Corporation intends to file with the SEC not later than 120 days after the end of the 2024 fiscal year.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required to be furnished pursuant to this Item 12 is incorporated herein by reference to the Corporation’s 2025 Proxy Statement, which the Corporation intends to file with the SEC not later than 120 days after the end of the 2024 fiscal year.

Incorporated by reference herein is the information appearing under the heading "Securities Authorized for Issuance under Equity Compensation Plans" within "Item 5, Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities" in this Annual Report on Form 10-K.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required to be furnished pursuant to this Item 13 is incorporated herein by reference to the Corporation’s 2025 Proxy Statement, which the Corporation intends to file with the SEC not later than 120 days after the end of the 2024 fiscal year.

Item 14. Principal Accountant Fees and Services

Except as furnished below, the information required to be furnished pursuant to this Item 14 is incorporated herein by reference to the Corporation’s 2025 Proxy Statement, which the Corporation intends to file with the SEC not later than 120 days after the end of the 2024 fiscal year.

The Corporation's independent registered accounting firm is KPMG LLP, Philadelphia, PA.

Auditor Firm ID: 185.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this report:

1. Financial Statements — The following consolidated financial statements of Fulton Financial Corporation and subsidiaries are incorporated herein by reference in response to Item 8 above:
   - (i) Consolidated Balance Sheets - December 31, 2024 and 2023.
   - (ii) Consolidated Statements of Income - Years ended December 31, 2024, 2023 and 2022.
   - (iii) Consolidated Statements of Comprehensive Income - Years ended December 31, 2024, 2023 and 2022.
   - (iii) Consolidated Statements of Shareholders' Equity - Years ended December 31, 2024, 2023 and 2022.
   - (iv) Consolidated Statements of Cash Flows - Years ended December 31, 2024, 2023 and 2022.
   - (v) Notes to Consolidated Financial Statements.
   - (vi) Report of Independent Registered Public Accounting Firm.
2. Financial Statement Schedules — All financial statement schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and have therefore been omitted.

(b) The following exhibits are filed with or incorporated by reference in this Annual Report on Form 10-K, and this list includes the Exhibit Index.

2.1	Purchase and Assumption Agreement – Whole Bank, All Deposits, effective as of April 26, 2024, with the Federal Deposit Insurance Corporation, as receiver of Republic First Bank, the Federal Deposit Insurance Corporation, and Fulton Bank, National Association (Incorporated by reference to Exhibit 2.1 of the Fulton Financial Corporation Current Report on Form 8-K filed on May 2, 2024).
3.1	Articles of Incorporation, as amended and restated, of Fulton Financial Corporation as amended (Incorporated by reference to Exhibit 3.1 of the Fulton Financial Corporation Current Report Form 8-K filed June 24, 2011).
3.2	Statement with Respect to Shares of Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series A of Fulton Financial Corporation, dated October 23, 2020, filed with the Pennsylvania Department of State (Incorporated by reference to Exhibit 3.1 of the Fulton Financial Corporation Current Report on Form 8-K filed on October 29, 2020).
3.3	Bylaws of Fulton Financial Corporation as amended (Incorporated by reference to Exhibit 3.1 of the Fulton Financial Corporation Current Report on a Form 8-K filed May 14, 2021).
4.1	An Indenture entered into on November 17, 2014 between Fulton Financial Corporation and Wilmington Trust, National Association as trustee, relating to the issuance by Fulton Financial Corporation of $250 million aggregate principal amount of 4.50% subordinated notes due November 15, 2024 (Incorporated by reference to Exhibit 4.1 of the Fulton Financial Corporation Current Report on Form 8-K filed November 17, 2014).
4.2	First Supplemental Indenture entered into on November 17, 2014 between Fulton Financial Corporation and Wilmington Trust, National Association as trustee, relating to the issuance by Fulton Financial Corporation of $250 million aggregate principal amount of 4.50% subordinated notes due November 15, 2024 (Incorporated by reference to Exhibit 4.2 of the Fulton Financial Corporation Current Report on Form 8-K filed November 17, 2014).
4.3	Form of 4.50% Subordinated Notes due 2024 (Included in Exhibit 4.2).
4.4	Second Supplemental Indenture entered into March 3, 2020, between Fulton Financial Corporation and Wilmington Trust, National Association, as trustee, relating to the issuance by Fulton Financial Corporation of $200 million aggregate principal amount of 3.25% subordinated notes due March 15, 2030 (Incorporated by reference to Exhibit 4.2 of the Fulton Financial Corporation Current Report on Form 8-K filed March 3, 2020).
4.5	Form of 3.250% Fixed-to-Floating Rate Subordinated Notes due 2030 (Included in Exhibit 4.4).
4.6	Third Supplemental Indenture entered into March 3, 2020, between Fulton Financial Corporation and Wilmington Trust, National Association, as trustee, relating to the issuance by Fulton Financial Corporation of $175 million aggregate principal amount of 3.75% subordinated notes due March 15, 2035 (Incorporated by reference to Exhibit 4.3 of the Fulton Financial Corporation Current Report on Form 8-K filed March 3, 2020).
4.7	Form of 3.750% Fixed-to-Floating Rate Subordinated Notes due 2035 (Included in Exhibit 4.6).
4.8	Statement with Respect to Shares of Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series A of Fulton Financial Corporation, dated October 23, 2020, filed with the Pennsylvania Department of State (Incorporated by reference to Exhibit 3.1 of the Fulton Financial Corporation Current Report on Form 8-K filed on October 29, 2020).

4.9	Stock Certificate (Incorporated by reference as Exhibit 4.1 of Fulton Financial Corporation Registration Statement on Form S-4 filed on April 21, 2022).
4.10	Deposit Agreement, dated October 29, 2020, among Fulton Financial Corporation, Equiniti Trust Company, as depositary, and the holders from time to time of the depositary receipts described therein (Incorporated by reference to Exhibit 4.1 of the Fulton Financial Corporation Current Report on Form 8-K filed on October 29, 2020).
4.11	Form of depositary receipt representing the Depositary Shares (Included in Exhibit 4.10).
4.12	Description of Fulton Financial Corporation Securities (Incorporated by reference to Exhibit 4.7 of the Fulton Financial Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2019).
10.1	Form of Executive Employment Agreement between Fulton Financial Corporation and certain Executive Officers of Fulton Financial Corporation (Incorporated by reference to Exhibit 10.1 of the Fulton Financial Corporation Current Report on Form 8-K filed January 4, 2018). *
10.2	Form of Key Employee Change in Control Agreement between Fulton Financial Corporation and certain Executive Officers of Fulton Financial Corporation (Incorporated by reference to Exhibit 10.2 of the Fulton Financial Corporation Current Report on Form 8-K filed January 4, 2018). *
10.3	Form of Death Benefit Only Agreement (Incorporated by reference to Exhibit 10.9 of the Fulton Financial Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2006). *
10.4	Fulton Financial Corporation 2022 Amended and Restated Equity and Cash Incentive Compensation Plan (Incorporated by reference to Exhibit 10.1 of the Fulton Financial Corporation Current Report on Form 8-K filed May 19, 2022). *
10.5	Amended Executive Employment Agreement between Fulton Financial Corporation and Curtis J. Myers, dated January 1, 2023 (Incorporated by reference to exhibit 10.1 of the Fulton Financial Corporation Current Report on Form 8-K filed December 22, 2022). *
10.6	Amended Key Employee Change in Control Agreement between Fulton Financial Corporation and Curtis J. Myers, dated January 1, 2023 (Incorporated by reference to exhibit 10.2 of the Fulton Financial Corporation Current Report on Form 8-K filed December 22, 2022). *
10.7	Form of Option Award and Form of Restricted Stock Award between Fulton Financial Corporation and Officers of the Corporation (Incorporated by reference to Exhibits 10.1 and 10.2, respectively, of the Fulton Financial Corporation Current Report on Form 8-K filed June 19, 2013). *
10.8	Form of Time-Vested Restricted Stock Unit Award Agreement, Form of Performance Restricted Stock Unit Award Agreement Total Shareholder Return ("TSR") Component and Form of Performance Restricted Stock Unit Award Agreement Profit Trigger Component (Incorporated by reference to Exhibits 10.1, 10.2 and 10.3 respectively, of the Fulton Financial Corporation Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023). *
10.9	Form of Time-Vested Restricted Stock Unit Award Agreement and Form of Performance Restricted Stock Unit Award Agreement Total Shareholder Return ("TSR") Component (Incorporated by reference to Exhibits 10.2 and 10.3, respectively, of the Fulton Financial Corporation Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024). *
10.10	Amended and Restated Fulton Financial Corporation Employee Stock Purchase Plan (Incorporated by reference to Exhibit A to Fulton Financial Corporation's definitive proxy statement, filed March 26, 2014). *
10.11	Amendment No. 1 to the Amended and Restated Fulton Financial Corporation Employee Stock Purchase Plan (Incorporated by reference to Exhibit 10.10 of the Fulton Financial Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2019). *
10.12	Fulton Financial Corporation Deferred Compensation Plan, as amended and restated effective December 1, 2015 (Incorporated by reference to Exhibit 10.12 of the Fulton Financial Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2015). *
10.13	First Amendment effective January 1, 2019 to the Fulton Financial Corporation Deferred Compensation Plan (Incorporated by reference to Exhibit 10.1 of the Fulton Financial Corporation Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019). *
10.14	Second Amendment effective January 1, 2021 to the Fulton Financial Corporation Deferred Compensation Plan (Incorporated by reference to Exhibit 10.13 of the Fulton Financial Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2020). *
10.15	Third Amendment effective March 11, 2021 to the Fulton Financial Corporation Deferred Compensation Plan (Incorporated by reference to Exhibit 10.1 of the Fulton Financial Corporation Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021). *
10.16	Fourth Amendment effective July 20, 2021 to the Fulton Financial Corporation Deferred Compensation Plan (Incorporated by reference to Exhibit 10.2 of the Fulton Financial Corporation Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021). *

10.17	Fifth Amendment, effective January 1, 2022, to the Fulton Financial Corporation Deferred Compensation Plan (Incorporated by reference to Exhibit 10.1 of the Fulton Financial Corporation Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021). *
10.18	Form of Performance Share Restricted Stock Unit Award Agreement between Fulton Financial Corporation and Certain Employees of the Corporation as of May 1, 2021 (Incorporated by reference to Exhibit 10.1 of the Fulton Financial Corporation Current Report on Form 8-K filed May 3, 2021). *
10.19	Form of Non-Employee Director Stock Unit Award Agreement (Incorporated by reference to Exhibit 10.1 of the Fulton Financial Corporation Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2023).
10.20	Form of Non-Employee Director Stock Unit Award Agreement (Incorporated by reference to Exhibit 10.1 of the Fulton Financial Corporation Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024).
10.21	Consulting Agreement between Beth Ann L. Chivinski and Fulton Financial Corporation dated November 1, 2024 - Filed herewith. *
10.22	Fulton Financial Corporation Amended and Restated 2023 Director Equity Plan (Incorporated by reference to Exhibit 10.1 of Fulton Financial Corporation's Current Report on Form 8-K filed May 16, 2023).
10.23	Agreement between Fulton Financial Corporation and Fiserv Solutions, LLC dated July 11, 2016 (Incorporated by reference to Exhibit 10.1 of the Fulton Financial Corporation Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016. (Portions of this exhibit have been redacted and are subject to a confidential treatment request filed with the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended. The redacted material was filed separately with the Securities and Exchange Commission).
10.24	Amendment to Agreement between Fulton Financial Corporation and Fiserv Solutions, LLC dated December 20, 2021. (Portions of this exhibit have been omitted in accordance with Item 601(b)(10) of Regulation S-K. Incorporated by reference to Exhibit 10.23 of the Fulton Financial Corporation Annual Report 10-K for the year ended December 31, 2021).
10.25	Agreement for Purchase and Sale of Real Property dated May 10, 2024 (Incorporated by reference to Exhibit 10.1 of the Fulton Financial Corporation Current Report on Form 8-K filed on May 15, 2024).
10.26	Separation Agreement and General Release (Incorporated by reference to Exhibit 10.1 of the Fulton Financial Corporation Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024). *
19	Fulton Financial Corporation Insider Trading Policy - Filed herewith.
21	Subsidiaries of the Registrant.
23	Consent of Independent Registered Public Accounting Firm.
24	Power of Attorney
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97	Fulton Financial Corporation Mandatory Recovery of Compensation Policy. (Incorporated by reference to Exhibit 97 of the Fulton Financial Corporation Annual Report 10-K for the year ended December 31, 2023.)
101	Interactive data files pursuant to Rule 405 of Regulation S-T (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Shareholders' Equity, (v) Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements.
104	Cover page interactive data file (formatted as inline XBRL and contained in Exhibit 101)
*	Management contract or compensatory plan or arrangement.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

FULTON FINANCIAL CORPORATION
(Registrant)

Dated:

By: /s/ CURTIS J. MYERS
Curtis J. Myers,
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been executed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature		Capacity	Date
/S/ JENNIFER CRAIGHEAD CAREY **Jennifer Craighead Carey**	*	Director	February 28, 2025
/S/ ANTHONY L. COSSETTI **Anthony L. Cossetti**		Executive Vice President, Chief Accounting Officer and Controller (Principal Accounting Officer)	February 28, 2025
/S/ LISA CRUTCHFIELD **Lisa Crutchfield**	*	Director	February 28, 2025
/S/ DENISE L. DEVINE **Denise L. Devine**	*	Director	February 28, 2025
/S/ STEVEN S. ETTER **Steven S. Etter**	*	Director	February 28, 2025
/S/ RICHARD S. KRAEMER **Richard S. Kraemer**		Senior Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 28, 2025
/S/GEORGE K. MARTIN **George K. Martin**	*	Director	February 28, 2025
/S/ JAMES R. MOXLEY, III **James R. Moxley, III**	*	Director	February 28, 2025
/S/ CURTIS J. MYERS **Curtis J. Myers**		Chairman and Chief Executive Officer (Principal Executive Officer)	February 28, 2025

Signature		Capacity	Date
/S/ ANTOINETTE M. PERGOLIN **Antoinette M. Pergolin**	*	Director	February 28, 2025
/S/ SCOTT A. SNYDER **Scott A. Snyder**	*	Director	February 28, 2025
/S/ RONALD H. SPAIR **Ronald H. Spair**	*	Director	February 28, 2025
/S/ E. PHILIP WENGER **E. Philip Wenger**		Director	February 28, 2025
*By /S/ NATASHA R. LUDDINGTON **Natasha R. Luddington** Attorney-in-Fact			February 28, 2025

Exhibit 21 - Subsidiaries of the Registrant

The following are the subsidiaries of Fulton Financial Corporation:

Subsidiary	State of Incorporation or Organization	Name Under Which Business is Conducted
Fulton Bank, N.A. One Penn Square P.O. Box 4887 Lancaster, Pennsylvania 17604	United States of America	Fulton Financial Advisors Fulton Private Bank Fulton Mortgage Company
Fulton Financial Realty Company One Penn Square P.O. Box 4887 Lancaster, Pennsylvania 17604	Pennsylvania	Fulton Financial Realty Company
Central Pennsylvania Financial Corp. 100 W. Independence Street Shamokin, PA 17872	Pennsylvania	Central Pennsylvania Financial Corp.
Fulton Insurance Services Group, Inc. One Penn Square P.O. Box 7989 Lancaster, Pennsylvania 17604	Pennsylvania	Fulton Insurance Services Group, Inc.
FFC Penn Square, Inc. P.O. Box 609 Georgetown, DE 19947	Delaware	FFC Penn Square, Inc.
Fulton Community Partner, LLC One Penn Square P.O. Box 7989 Lancaster, Pennsylvania, 17604	Delaware	Fulton Community Partner, LLC

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (No. 333-05471, No. 333- 05481, No. 333-44788, No. 333-81377, No. 333-64744, No. 333-76594, No. 333-76600, No. 333-76596, No. 333-107625, No. 333-114206, No. 333-116625, No. 333-121896, No. 333-126281, No. 333-131706, No. 333-135839, No. 333-145542, No. 333-168237, No. 333-175065, No. 333-189457, No. 333-128894, No. 333-197728, No.333-175065, No. 333-236579, No. 333-116625 and No. 333-271985) on Form S-8 and in the registration statements (No. 033-37835, No. 333-61268, No. 333-123532, No. 333-130718, No. 333-156339, No. 333-189459, No. 333-189488, No. 333-156396, No. 333-197730, No. 333-221393, No. 333-249588 and No. 333-274624) on Form S-3 of Fulton Financial Corporation and subsidiaries of our report dated February 28, 2025, with respect to the consolidated financial statements of Fulton Financial Corporation and subsidiaries and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Philadelphia, Pennsylvania

February 28, 2025

Exhibit 31.1 – Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Curtis J. Myers, certify that:

1. I have reviewed this annual report on Form 10-K of Fulton Financial Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2025

/s/ Curtis J. Myers
Curtis J. Myers
Chairman and Chief Executive Officer

Exhibit 31.2 – Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Richard S. Kraemer, certify that:

1. I have reviewed this annual report on Form 10-K of Fulton Financial Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 28, 2025

/s/ Richard S. Kraemer

Richard S. Kraemer

Senior Executive Vice President and Chief Financial Officer

Exhibit 32.1 - Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Curtis J. Myers, Chief Executive Officer of Fulton Financial Corporation, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, certify that:

The Form10-K of Fulton Financial Corporation, containing the consolidated financial statements for the year ended December 31, 2024, fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934. The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Fulton Financial Corporation.

Date: February 28, 2025

/s/ Curtis J. Myers
Curtis J. Myers
Chairman and Chief Executive Officer

Exhibit 32.2 - Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Richard S. Kraemer, Chief Financial Officer of Fulton Financial Corporation, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, certify that:

The Form 10-K of Fulton Financial Corporation, containing the consolidated financial statements for the year ended December 31, 2024, fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934. The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Fulton Financial Corporation.

February 28, 2025

/s/ Richard S. Kraemer

Richard S. Kraemer

Senior Executive Vice President and Chief Financial Officer

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INVESTOR INFORMATION

GO GREEN!

If you would like to save paper and reduce the costs incurred by us in printing and mailing proxy materials, you can consent by e-mail or the Internet.

To sign up for electronic delivery, go to ***www.proxyvote.com*** and follow the instructions.

Investor Information and Documents

A copy of our Annual Report, Form 10-K, Proxy Statement and other documents can be viewed on our website at ***www.fultonbank.com*** under the "Investor Relations" section. Copies of our Form 10-K and Proxy Statement may be obtained without charge by writing to:

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

Annual Meeting of Shareholders

The Annual Meeting of Shareholders will be held on Tuesday, May 20, 2025 at 10:00 a.m. eastern. Meeting details are outlined in our Proxy Statement.

Scan the following QR code with a mobile device to view information and vote your shares.

FULTON FINANCIAL CORPORATION

(NASDAQ: FULT)

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