

FULTON FINANCIAL CORP  
Form 10-Q  
May 11, 2015

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D. C. 20459

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2015, or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 0-10587

FULTON FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

PENNSYLVANIA

(State or other jurisdiction of incorporation or organization)

23-2195389

(I.R.S. Employer Identification No.)

One Penn Square, P.O. Box 4887, Lancaster, Pennsylvania  
(Address of principal executive offices)

17604  
(Zip Code)

(717) 291-2411

(Registrant's telephone number, including area code)

Indicate by checkmark 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 checkmark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes  No

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Common Stock, \$2.50 Par Value –176,691,000 shares outstanding as of April 30, 2015.

1

---

FULTON FINANCIAL CORPORATION  
FORM 10-Q FOR THE THREE MONTHS ENDED MARCH 31, 2015  
INDEX

Description	Page
<b>PART I. FINANCIAL INFORMATION</b>	
<b><u>Item 1. Financial Statements (Unaudited):</u></b>	
(a) Consolidated Balance Sheets - March 31, 2015 and December 31, 2014	<u>3</u>
(b) <u>Consolidated Statements of Income - Three months ended March 31, 2015 and 2014</u>	<u>4</u>
(c) <u>Consolidated Statements of Comprehensive Income - Three months ended March 31, 2015 and 2014</u>	<u>5</u>
(d) <u>Consolidated Statements of Shareholders' Equity - Three months ended March 31, 2015 and 2014</u>	<u>6</u>
(e) <u>Consolidated Statements of Cash Flows - Three months ended March 31, 2015 and 2014</u>	<u>7</u>
(f) <u>Notes to Consolidated Financial Statements</u>	<u>8</u>
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	<u>36</u>
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	<u>57</u>
<u>Item 4. Controls and Procedures</u>	<u>61</u>
<b><u>PART II. OTHER INFORMATION</u></b>	
<u>Item 1. Legal Proceedings</u>	<u>62</u>
<u>Item 1A. Risk Factors</u>	<u>62</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>62</u>
<u>Item 3. Defaults Upon Senior Securities</u>	<u>62</u>
Item 4. Mine Safety Disclosures	<u>62</u>
<u>Item 5. Other Information</u>	<u>63</u>
<u>Item 6. Exhibits</u>	<u>63</u>
<u>Signatures</u>	<u>64</u>
<u>Exhibit Index</u>	<u>65</u>



## Item 1. Financial Statements

## CONSOLIDATED BALANCE SHEETS

(in thousands, except per-share data)

	March 31, 2015 (unaudited)	December 31, 2014
<b>ASSETS</b>		
Cash and due from banks	\$91,870	\$105,702
Interest-bearing deposits with other banks	637,973	358,130
Federal Reserve Bank and Federal Home Loan Bank stock	65,694	64,953
Loans held for sale	34,124	17,522
Available for sale investment securities	2,259,802	2,323,371
Loans, net of unearned income	13,115,505	13,111,716
Less: Allowance for loan losses	(177,701)	(184,144)
Net Loans	12,937,804	12,927,572
Premises and equipment	226,241	226,027
Accrued interest receivable	42,216	41,818
Goodwill and intangible assets	531,672	531,803
Other assets	535,945	527,869
Total Assets	\$17,363,341	\$17,124,767
<b>LIABILITIES</b>		
Deposits:		
Noninterest-bearing	\$3,765,677	\$3,640,623
Interest-bearing	9,748,820	9,726,883
Total Deposits	13,514,497	13,367,506
Short-term borrowings:		
Federal funds purchased	43	6,219
Other short-term borrowings	410,062	323,500
Total Short-Term Borrowings	410,105	329,719
Accrued interest payable	18,357	18,045
Other liabilities	294,352	273,419
Federal Home Loan Bank advances and long-term debt	1,094,517	1,139,413
Total Liabilities	15,331,828	15,128,102
<b>SHAREHOLDERS' EQUITY</b>		
Common stock, \$2.50 par value, 600 million shares authorized, 218.3 million shares issued in 2015 and 218.2 million shares issued in 2014	545,734	545,555
Additional paid-in capital	1,422,012	1,420,523
Retained earnings	582,724	558,810
Accumulated other comprehensive loss	(9,800)	(17,722)
Treasury stock, at cost, 39.2 million shares in 2015 and 39.3 million shares in 2014	(509,157)	(510,501)
Total Shareholders' Equity	2,031,513	1,996,665
Total Liabilities and Shareholders' Equity	\$17,363,341	\$17,124,767

See Notes to Consolidated Financial Statements



## CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(in thousands, except per-share data)

	Three months ended March	
	31	
	2015	2014
<b>INTEREST INCOME</b>		
Loans, including fees	\$ 129,777	\$ 131,830
Investment securities:		
Taxable	11,282	13,266
Tax-exempt	2,087	2,348
Dividends	348	332
Loans held for sale	173	134
Other interest income	2,105	882
Total Interest Income	145,772	148,792
<b>INTEREST EXPENSE</b>		
Deposits	9,823	7,896
Short-term borrowings	77	633
Long-term debt	12,291	10,698
Total Interest Expense	22,191	19,227