



# THIRD QUARTER 2021 RESULTS

NASDAQ: FULT

FULTON FINANCIAL  
CORPORATION

Data as of or for the three months ended September 30, 2021 unless otherwise noted

# FORWARD-LOOKING STATEMENTS

This presentation may contain forward-looking statements with respect to the Corporation's 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. Management's 2021 Outlook contained herein is comprised of forward-looking statements.

Forward-looking statements are neither historical facts, nor assurance of future performance. Instead, they 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.

A discussion of certain risks and uncertainties affecting the Corporation, and some of the factors that could cause the Corporation'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 the Corporation's Annual Report on Form 10-K for the year ended December 31, 2020, Quarterly Reports on Form 10-Q for the quarters ended March 31, 2021 and June 30, 2021 and other current and periodic reports, which have been, or will be, filed with the Securities and Exchange Commission and are or will be available in the Investor Relations section of the Corporation's website ([www.fult.com](http://www.fult.com)) and on the Securities and Exchange Commission's website ([www.sec.gov](http://www.sec.gov)).

The Corporation uses certain non-GAAP financial measures in this presentation. These non-GAAP financial measures are reconciled to the most comparable GAAP measures at the end of this presentation.

# INCOME STATEMENT SUMMARY

	<u>3Q21</u>		<u>2Q21</u>		<u>3Q20</u>
	<i>(dollars in thousands, except per-share data)</i>				
<b>Net Interest Income</b>	\$	<b>171,270</b>	\$	162,399	\$ 154,116
<b>Provision for Credit Losses</b>		<b>(600)</b>		(3,500)	7,080
<b>Non-Interest Income</b>		<b>62,577</b>		51,854	63,247
<b>Securities Gains</b>		—		36	2
<b>Non-Interest Expense</b>		<b>144,596</b>		140,831	139,145
<b>Income before Income Taxes</b>		<b>89,851</b>		76,958	71,140
<b>Income Taxes</b>		<b>14,268</b>		11,994	9,529
<b>Net Income</b>		<b>75,583</b>		64,964	61,611
<b>Preferred Stock Dividends</b>		<b>(2,562)</b>		(2,562)	—
<b>Net Income Available to Common Shareholders</b>	\$	<b>73,021</b>	\$	62,402	\$ 61,611
<b>Net income per share (diluted)</b>	\$	<b>0.45</b>	\$	0.38	\$ 0.38
<b>ROA<sup>(1)</sup></b>		<b>1.13 %</b>		1.00 %	0.97 %
<b>ROE<sup>(2)</sup></b>		<b>10.64 %</b>		9.38 %	10.32 %
<b>ROE (tangible)<sup>(3)</sup></b>		<b>14.56 %</b>		12.93 %	13.35 %
<b>Efficiency ratio<sup>(3)</sup></b>		<b>60.3 %</b>		63.8 %	62.3 %

1. ROA is return on average assets calculated as net income for the period divided by average assets, annualized.

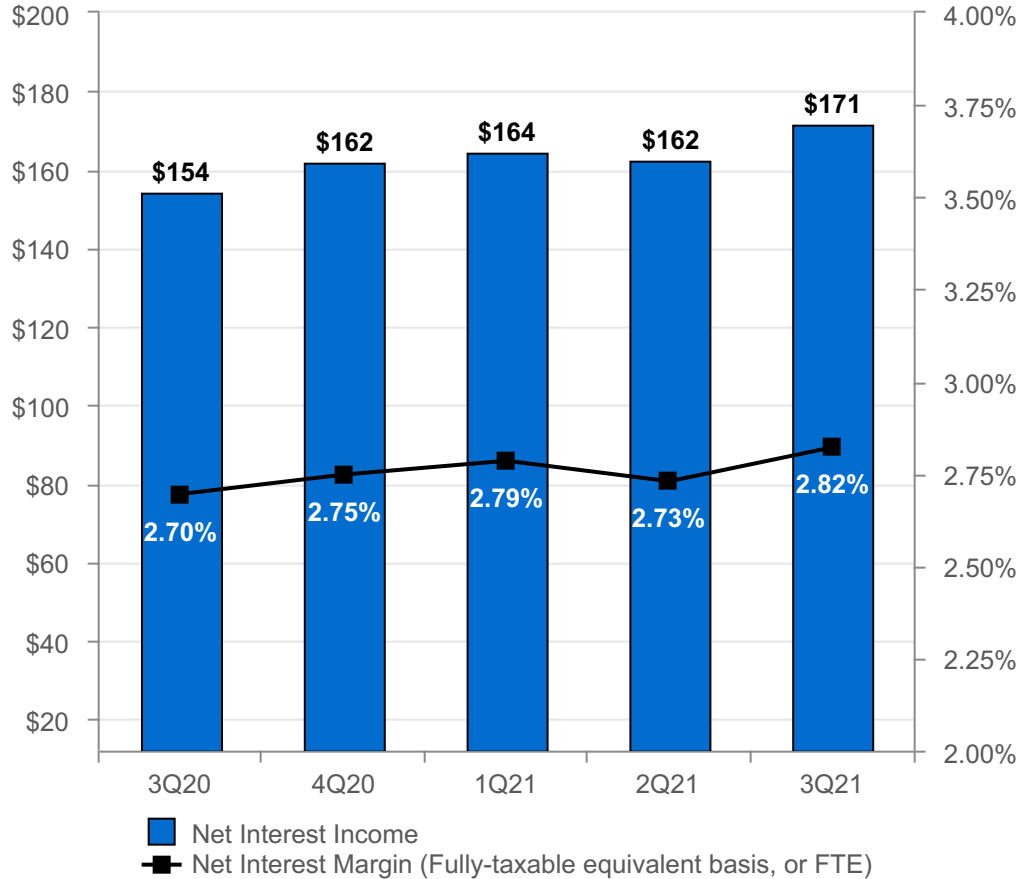
2. ROE is return on average common shareholders' equity calculated as net income available to common shareholders for the period divided by average common shareholders' equity, annualized.

3. Non-GAAP financial measure. Please refer to the calculation and management's reasons for using this measure on the slide titled "Non-GAAP Reconciliation" at the end of this presentation.

# NET INTEREST INCOME AND MARGIN

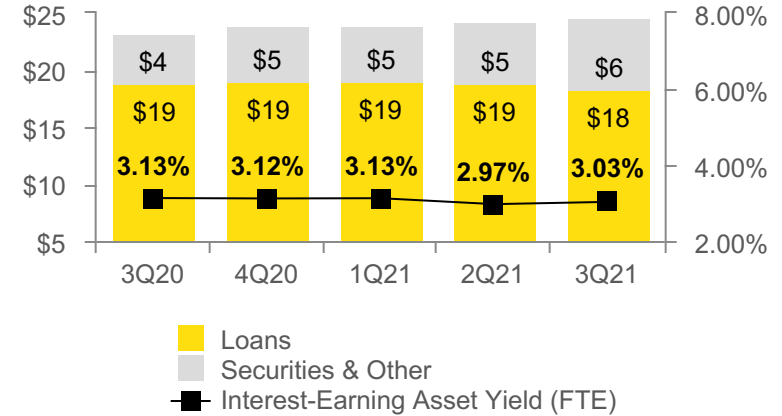
## Net Interest Income & Net Interest Margin

(\$ IN MILLIONS)



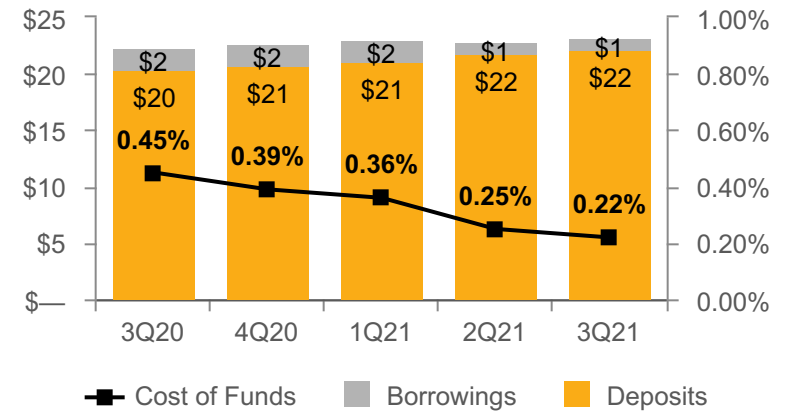
## Average Interest-Earning Assets & Yields

(\$ IN BILLIONS)



## Average Liabilities & Cost of Funds

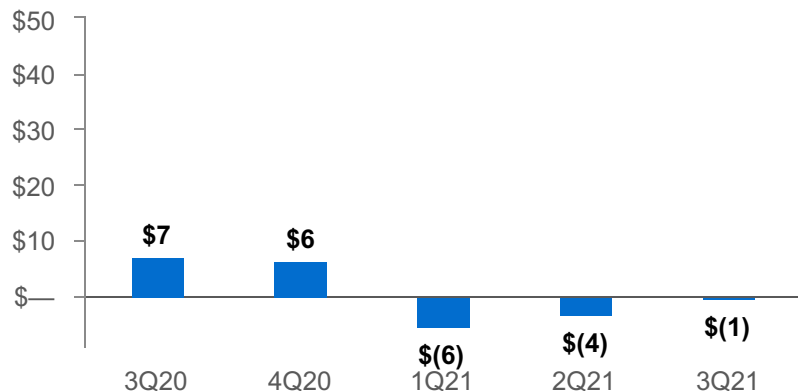
(\$ IN BILLIONS)



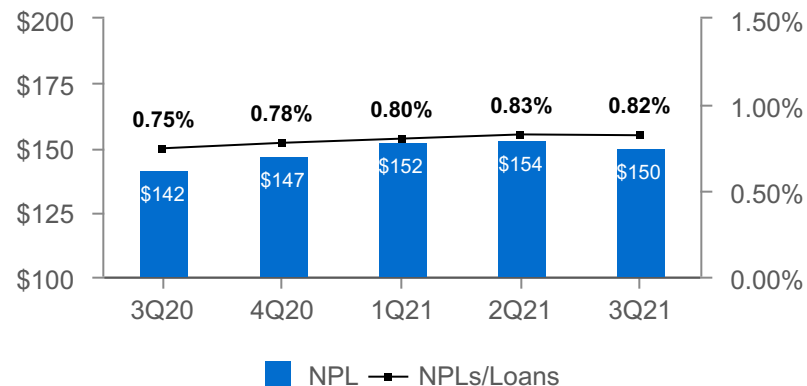
# ASSET QUALITY

(\$ IN MILLIONS)

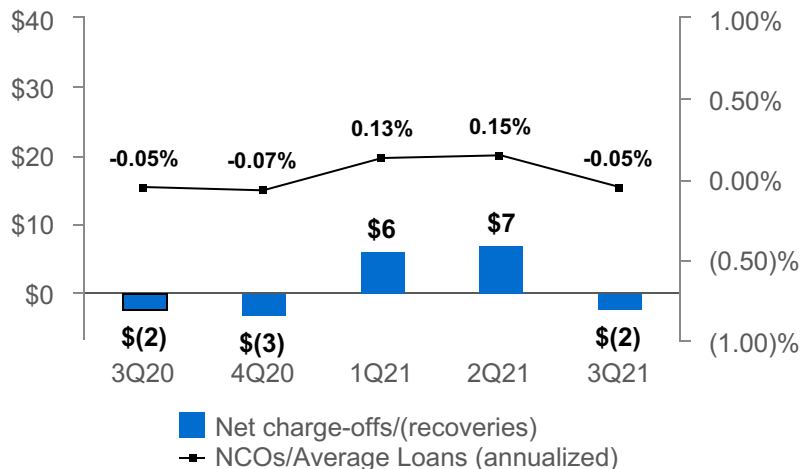
## Provision for Credit Losses



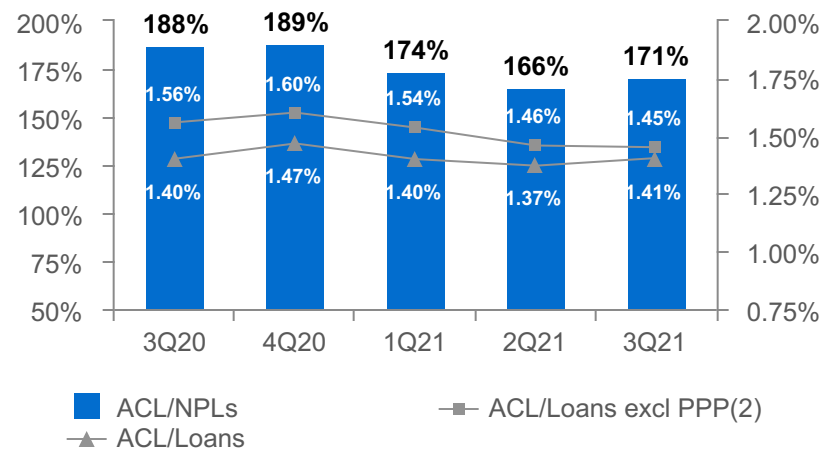
## Non-Performing Loans (NPLs) & NPLs to Loans



## Net Charge-offs (NCOs) and NCOs to Average Loans

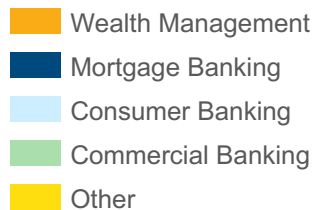
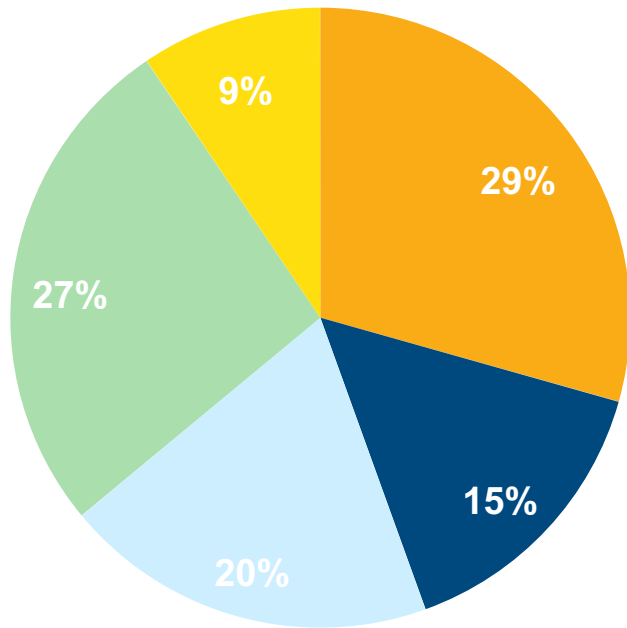


## ACL<sup>(1)</sup> to NPLs & Loans



# NON-INTEREST INCOME<sup>(1)</sup>

Three months ended September 30, 2021  
(percent of total non-interest income)



	<u>3Q21</u>	<u>2Q21</u>	<u>Change</u>
	<i>(dollars in thousands)</i>		
■ Wealth Management	\$ 18,532	\$ 17,634	\$ 898
■ Mortgage Banking	9,535	2,838	6,697
■ Consumer Banking	11,801	10,860	941
■ Commercial Banking	16,738	17,129	(391)
■ Other	5,971	3,393	2,578
Total	<u>\$ 62,577</u>	<u>\$ 51,854</u>	<u>\$ 10,723</u>

## Non-interest income<sup>(1)</sup> increased 21% from 2Q21

### Increases in:

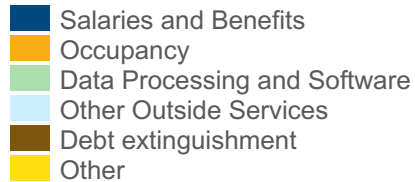
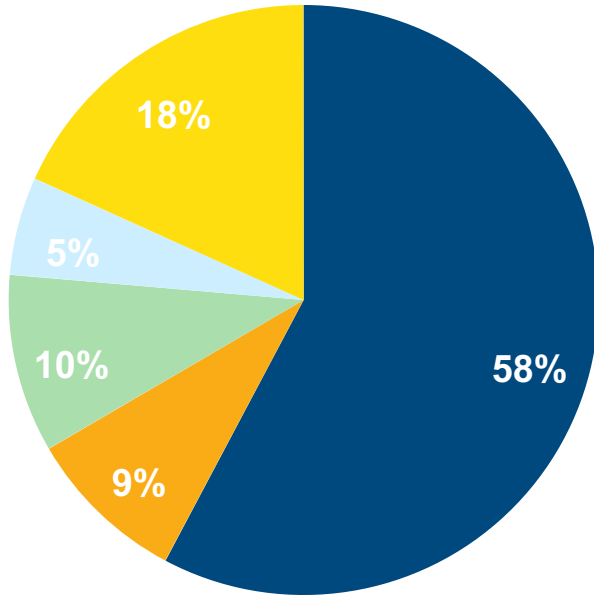
- Mortgage Banking driven by a decrease in the mortgage servicing rights valuation allowance of \$3.5 million compared to an increase of \$2.2 million in Q2 21.
- Other income due to an increase of \$2.1 million from equity method investments.

### Partially offset by a decrease in:

- Commercial Banking income due to the timing of SBA portfolio sales.

# NON-INTEREST EXPENSE

Three months ended September 30, 2021  
(percent of total non-interest expense)



	<u>3Q21</u>	<u>2Q21</u>	<u>Change</u>
	<i>(dollars in thousands)</i>		
■ Salaries and Benefits	\$ 82,679	\$ 78,367	\$ 4,312
■ Occupancy	12,957	12,494	463
■ Data Processing and Software	14,335	13,932	403
■ Other Outside Services	7,889	8,178	(289)
■ Debt Extinguishment	—	412	(412)
■ Other	26,736	27,448	(712)
<i>Total</i>	<u>\$ 144,596</u>	<u>\$ 140,831</u>	<u>\$ 3,765</u>

## Non-interest expense increased 3% from 2Q21

Driven primarily by:

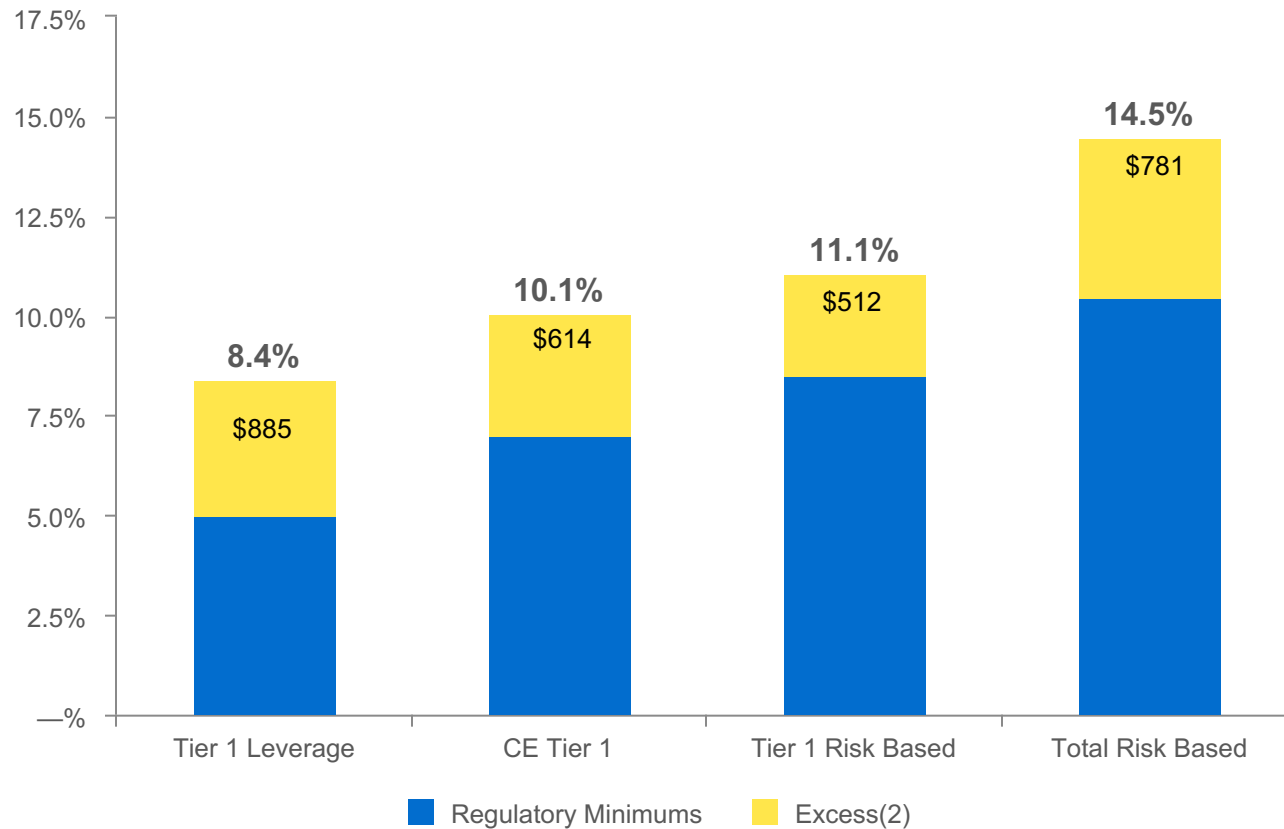
- \$4.3 million increase in salaries and benefits and \$0.5 million in occupancy expenses.

Partially offset by decreases in:

- Debt extinguishment.
- Other expenses.

# CAPITAL POSITION REMAINS STRONG

(as of September 30, 2021)





# 2021 OUTLOOK

**Net interest income**: \$655 - \$665 million<sup>(1)</sup>

**Provision for credit losses**: Negative provision for 2021<sup>(2)</sup>

**Non-interest income**: \$230 - \$235 million<sup>(3)</sup>

**Non-interest expense**: \$570 - \$575 million<sup>(4)</sup>

<sup>(1)</sup> Updated as of 3Q 2021; previously \$640 - \$660 million.

<sup>(2)</sup> Updated as of 3Q 2021; previously \$10 - \$20 million.

<sup>(3)</sup> Updated as of 3Q 2021; previously \$220 - \$230 million.

<sup>(4)</sup> Excluding charges related to the 1Q 2021 balance sheet restructuring. Updated as of 3Q 2021; previously \$560 - \$570 million.

# NON-GAAP RECONCILIATION

**Note:** The Corporation has presented the following non-GAAP (Generally Accepted Accounting Principles) financial measures because it believes that these measures provide useful and comparative information to assess trends in the Corporation's results of operations and financial condition. 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. 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 condensed consolidated financial statements in their entirety.

(dollars in thousands)

	Three months ended		
	Sep 30	Jun 30	Sep 30
	2021	2021	2020
<b>Return on average common shareholders' equity (tangible)</b>			
Net income available to common shareholders	\$ 73,021	\$ 62,402	\$ 61,611
Plus: Intangible amortization, net of tax	118	140	103
(Numerator)	<u>73,139</u>	<u>62,542</u>	<u>61,714</u>
Average shareholders' equity	\$ 2,722,833	\$ 2,669,413	\$ 2,374,091
Less: Average preferred stock	(192,878)	(192,878)	—
Less: Average goodwill and intangible assets	<u>(536,772)</u>	<u>(536,470)</u>	<u>(534,971)</u>
Average tangible common shareholders' equity (denominator)	<u>1,993,183</u>	<u>1,940,065</u>	<u>1,839,120</u>
Return on average common shareholders' equity (tangible), annualized	<u>14.56 %</u>	<u>12.93 %</u>	<u>13.35 %</u>

# NON-GAAP RECONCILIATION

(dollars in thousands)

	Three months ended				
	Sep 30 2021	Jun 30 2021	Sep 30 2020	Dec 31 2020	Sep 30 2020
<b>Efficiency ratio</b>					
Non-interest expense	\$ 144,596	\$ 140,831	\$ 139,145		
Less: Amortization of tax credit investments	(1,546)	(1,563)	(1,694)		
Less: Intangible amortization	(150)	(178)	(132)		
Less: 2020 cost savings initiatives	—	—	(800)		
Less: Debt extinguishment costs	—	(412)	—		
Non-interest expense (numerator)	<u>\$ 142,900</u>	<u>\$ 138,678</u>	<u>\$ 136,519</u>		
Net interest income	\$ 171,270	\$ 162,399	\$ 154,116		
Tax equivalent adjustment	3,114	3,018	2,990		
Plus: Total Non-interest income	62,577	51,890	63,249		
Less: Investment securities gains, net	—	(36)	(2)		
Total revenue (denominator)	<u>\$ 236,961</u>	<u>\$ 217,271</u>	<u>\$ 220,353</u>		
Efficiency ratio	<u>60.3 %</u>	<u>63.8 %</u>	<u>62.0 %</u>		
<b>Asset Quality, excluding PPP</b>					
ACL - loans (numerator)	\$ 256,727	\$ 255,032	\$ 265,986	\$ 277,567	\$ 266,825
Net Loans	\$ 18,269,407	\$ 18,586,756	\$ 18,990,986	\$ 18,900,820	\$ 19,028,621
Less: PPP loans	(590,447)	(1,114,401)	(1,688,394)	(1,581,712)	(1,960,165)
Total adjusted loans (denominator)	<u>\$ 17,678,960</u>	<u>\$ 17,472,355</u>	<u>\$ 17,302,592</u>	<u>\$ 17,319,108</u>	<u>\$ 17,068,456</u>
ACL - loans to total adjusted loans	<u>1.45 %</u>	<u>1.46 %</u>	<u>1.54 %</u>	<u>1.60 %</u>	<u>1.56 %</u>