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Comptroller of the Currency  
Administrator of National Banks

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Northeastern District Office  
340 Madison Avenue, 5<sup>th</sup> Floor  
New York, New York 10017

Licensing Division  
Telephone No.: 212.790.4055  
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**Conditional Approval #985  
January 2011**

December 3, 2010

Mr. Mark A. Crowe  
Deputy General Counsel  
Fulton Financial Corporation  
One Penn Square  
P.O. Box 4887  
Lancaster, PA 17604

Re: Application to merge Delaware National Bank, Georgetown, Delaware with and  
into Fulton Bank, National Association, Lancaster, Pennsylvania  
CAIS Control Number: 2010-NE-02-0019 Charter No.: 24891

Dear Mr. Crowe:

The Comptroller of the Currency (OCC) hereby conditionally approves the application to merge the Delaware National Bank, Georgetown, Delaware (“DNB” or “target bank”) into Fulton Bank, National Association, Lancaster, Pennsylvania (“Fulton” or “Applicant”), for the reasons and subject to the requirements set forth herein.

This approval is granted after a thorough evaluation of the application, other materials you have supplied, and other information available to the OCC, including commitments and representations made in the application and by the Applicant’s representatives during the application process and a determination that the proposal meets certain regulatory and policy requirements. This approval is also subject to the condition set out herein.

**Introduction**

DNB and Fulton are wholly-owned subsidiaries of Fulton Financial Corporation (“FFC”).<sup>1</sup> FFC provides retail and commercial banking services, trust, brokerage and

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<sup>1</sup> Fulton Financial Corporation is a financial holding company.

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investment services through eight wholly owned banking affiliates. These affiliated banks operate in Pennsylvania, Maryland, Delaware, New Jersey, and Virginia.

Fulton is a national bank with its main office located in Lancaster, Pennsylvania and branches in Pennsylvania and Virginia. DNB is also a national bank with its main office and branches located in Delaware.

### **Interstate Mergers Under the Riegle-Neal Act**

The merger of the target bank into Fulton is legally authorized as an interstate merger transaction under the Riegle-Neal Act (the “Act”).<sup>2</sup> In this regard, the OCC has determined that, with respect to the merger, the Act’s age requirements applicable to the target bank, filing requirements, and requirements as to the capital adequacy of the banks involved in the merger, and management capabilities of the Resulting Bank are satisfied.<sup>3</sup> In addition, as authorized by the Act, the OCC approves the retention of the main office and branches of DNB as branch offices of the Resulting Bank.

### **Bank Merger Act**

The OCC reviewed the proposed merger transaction under the criteria of the Bank Merger Act,<sup>4</sup> and applicable OCC regulations and policies. Among other matters, we found that the proposed transaction would not have any anticompetitive effects. The OCC considered the financial and managerial resources of the banks, their future prospects, and the convenience and needs of the communities to be served. In addition, the Bank Merger Act requires the OCC to consider “. . . the effectiveness of any insured depository institution involved in the proposed merger transaction in combating money laundering activities . . .”<sup>5</sup> The OCC considered these factors and found them to be consistent with approval under the statutory provisions.

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<sup>2</sup> 12 U.S.C. §§ 215a-1 and 1831u(a).

<sup>3</sup> 12 U.S.C. § 1831u(a)(5), (b)(1) and (b)(4). The Community Reinvestment Act’s (“CRA”) concentration limits and expanded CRA requirements are not applicable to this transaction because this is among affiliated banks. As will be subsequently discussed, approval of the merger is also consistent with the factors set forth in the Bank Merger Act and with the record of compliance of the parties to the merger with the CRA.

<sup>4</sup> 12 U.S.C. § 1828(c).

<sup>5</sup> 12 U.S.C. § 1828(c)(11).

### **Community Reinvestment Act**

Community Reinvestment Act (“CRA”) requires the OCC to take into account the records of the institutions proposing to engage in a merger in helping to meet the credit needs of the community, including low- and moderate-income (“LMI”) neighborhoods, when evaluating merger applications.<sup>6</sup> The OCC considers the CRA Performance Evaluation (“PE”) of each institution involved in the transaction. A review of the records of these applicants, and other information available to the OCC as a result of its regulatory responsibilities, revealed no evidence indicating that the applicant’s records of helping to meet the credit needs of their communities, including LMI neighborhoods, are less than satisfactory.<sup>7</sup>

### **Section 1818 Condition**

This approval is subject to the following condition:

Fulton’s Board of Directors and Management shall take all steps necessary to ensure that the commitments set forth in a letter dated December 1, 2010, from Fulton’s Chairman and Chief Executive Office Craig A. Roda to OCC Assistant Deputy Comptroller James M. Calhoun, are fully adopted, timely implemented and adhered to thereafter.

This condition of approval is a condition “imposed in writing by the Federal Agency in connection with any action on any application, notice, or other request” within the meaning of 12 U.S.C. § 1818. As such, the condition is enforceable under 12 U.S.C. § 1818.

### **Consummation Guidance**

Please refer to the Business Combination booklet for steps to complete the merger.

As a reminder, the district office must be advised in writing 10 days in advance of the desired effective date for the merger so that the OCC may issue the necessary certification.

If the merger is not consummated within one year from the approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

This conditional approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other

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<sup>6</sup> 12 U.S.C. §§ 2903(a)(2) and 2902(3)(A) and (E); 12 C.F.R. § 25.29(a)(3) and (4).

<sup>7</sup> No protests or comment letters were submitted to the OCC.

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obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. Our approval is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States

All correspondence regarding this application should reference the control number. If you have any questions, please contact me at 212.790.4055.

Sincerely,

*Sandya Reddy*

Sandya Reddy  
Acting Director for District Licensing