FULTON FINANCIAL CORP
Form 424B5
March 13, 2017
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-197730

The information in this preliminary prospectus supplement is not complete and may be changed. A registration statement relating to the securities has been declared effective by the Securities and Exchange Commission. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated March 13, 2017

PROSPECTUS SUPPLEMENT

(to Prospectus dated July 30, 2014)

$

% Senior Notes due 2022

We are offering $ in aggregate principal amount of % Senior Notes due 2022. The senior notes will mature on , 2022 and are not redeemable at our option or repayable at the option of the holders at any time before that date. The senior notes have a fixed annual interest rate of %, which will be paid every six months on and , commencing on , 2017 for the senior notes offered hereby. Interest on the senior notes offered hereby will accrue from , 2017.

The senior notes will be our unsecured and unsubordinated obligations and will rank equal in right of payment with all of our existing and future unsecured and unsubordinated obligations from time to time outstanding and senior in right of payment to all of our existing and future unsecured and subordinated indebtedness, including our 4.50% subordinated notes due 2024. The senior notes will be effectively subordinated to all of our future secured indebtedness to the extent of the value of the assets securing such indebtedness. The senior notes will be structurally subordinated to all of the existing and future liabilities and obligations of our subsidiaries, including our deposit liabilities and claims of other creditors of our subsidiary banks.

The senior notes will not be listed on any national securities exchange. Currently, there is no public market for the senior notes.

	PUBLIC OFFERING PRICE(1)	UNDERWRITING DISCOUNTS AND COMMISSIONS(2)	PROCEEDS, BEFORE EXPENSES, TO US(1)
Per note	%	%	%
Total	$	$	$

(1) Plus accrued interest, if any, from , 2017 to the date of delivery.
(2) We have agreed to reimburse the underwriters for certain expenses in connection with this offering. See Underwriting.

The underwriters expect to deliver the senior notes in book-entry only form on or about March , 2017.

Investing in the senior notes involves a high degree of risk. Please read Risk Factors beginning on page S-4 of this prospectus supplement, on page 4 of the accompanying prospectus and beginning on page 16 of our Annual Report on Form 10-K for the year ended December 31, 2016.

The senior notes are not savings accounts or deposits and are not insured by the Federal Deposit Insurance Corporation, or FDIC, or any other government agency. Neither the Securities and Exchange Commission, any state securities commission, the FDIC, the Board of Governors of the Federal Reserve System nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

Book-Running Manager

The date of this prospectus supplement is March , 2017

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Prospectus Supplement

Prospectus

We have not, and the underwriters have not, authorized any other person to provide you with any information other than the information contained in this prospectus supplement, the accompanying prospectus, any free writing prospectus we may authorize to be delivered to you and the documents incorporated by reference herein and therein. Neither we nor the underwriters take responsibility for, or provide any assurance as to the reliability of, any different or additional information.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is comprised of two parts. The first is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. This prospectus supplement also adds to, updates and changes information contained in the accompanying prospectus. If the information set forth in this prospectus supplement differs in any way from the information in the accompanying prospectus, you should rely on the information in this prospectus supplement. If the information set forth in this prospectus supplement conflicts with any statement in a document we have incorporated by reference, then you should consider only the statement in the more recent document.

The accompanying prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, using a shelf registration statement. Under the shelf registration process, from time to time, we may offer and sell debt securities, including the senior debt securities offered hereby, preferred stock, depositary shares, common stock, warrants, purchase contracts or units, or any combination thereof, in one or more offerings.

It is important that you read and consider all of the information contained in this prospectus supplement, the accompanying prospectus and any free writing prospectus filed by us with the SEC related to this offering in making your investment decision. You should also read and consider the information in the documents to which we have referred you in Incorporation of Certain Documents by Reference on page S-iii of this prospectus supplement and Where You Can Find More Information on page 3 of the accompanying prospectus.

The distribution of this prospectus supplement, the accompanying prospectus and any free writing prospectus and the offering of the senior notes in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement, the accompanying prospectus and any free writing prospectus come should inform themselves about and observe any such restrictions. This prospectus supplement, the accompanying prospectus and any free writing prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

In this prospectus supplement, references to the Corporation, Fulton Financial, we, us, our or similar references Fulton Financial Corporation and not Fulton Financial Corporation together with any of its subsidiaries, unless the context indicates otherwise.

For the sake of clarity, if there is only one underwriter listed in the table on page S-26 of this prospectus supplement, any references to the representative of the underwriters listed in such table and any references to the several underwriters shall both be references to the underwriter listed in the table on page S-26 of this prospectus supplement.

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INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our SEC filings are available to the public on the SEC s website at http://www.sec.gov and on the investor relations page of our website at http://www.fult.com. Except for those SEC filings incorporated by reference in this prospectus supplement, none of the other information on these websites constitutes a part of this prospectus supplement or the accompanying prospectus.

In this prospectus supplement and the accompanying prospectus, as permitted by law, we incorporate by reference information from other documents that we file with the SEC. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement and the accompanying prospectus and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the SEC, the information incorporated by reference in this prospectus supplement and the accompanying prospectus is considered to be automatically updated and superseded. In other words, in case of a conflict or inconsistency between information contained in this prospectus supplement and the accompanying prospectus and information incorporated by reference into this prospectus, you should rely on the information contained in the document that was filed later.

We incorporate by reference the following documents listed below:

our Annual Report on Form 10-K filed on February 27, 2017 for the fiscal year ended December 31, 2016.

In addition, all reports and other documents we subsequently file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), on or after the date of this prospectus supplement and the accompanying prospectus until we sell all of the senior notes offered by this prospectus supplement (other than any information furnished pursuant to Item 2.02 or Item 7.01 of any Current Report on Form 8-K, unless we specifically state in such Current Report that such information is to be considered filed under the Exchange Act or we incorporate it by reference into a filing under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act) will be deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus and to be part of this prospectus supplement and the accompanying prospectus from the date of the filing of such reports and documents.

Any statement contained in this prospectus supplement, the accompanying prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus supplement and the accompanying prospectus to the extent that a statement contained in any subsequently filed document which is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement and the accompanying prospectus.

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You may request a copy of these filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, at no cost, by writing to or telephoning us at the following address:

Fulton Financial Corporation

One Penn Square

P.O. Box 4887

Lancaster, Pennsylvania 17604

Attention: Corporate Secretary

(717) 291-2411

In addition, these filings are available on our website at www.fult.com. Please note that this website does not form a part of this prospectus supplement or the accompanying prospectus.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This prospectus supplement contains or incorporates by reference, and from time to time our management may make, forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. In some cases, you can identify these statements by forward-looking words such as may, might, will, should, expects, intends, plans, anticipates, believes, estimates, predicts, potential or contin these terms and other comparable terminology, including references to the outlook or outlook for 2017. These forward-looking statements, which are subject to risks, uncertainties and assumptions (some of which are beyond the Corporation s control and ability to predict), may include projections of the Corporation s future financial performance, future expenses, anticipated growth strategies, descriptions of new business initiatives and anticipated trends in the Corporation s business or financial results. These statements are not guarantees of future performance and are only predictions based on our current expectations and projections about future events. Among the important factors that could cause the Corporation s actual financial condition and results of operations, level of activity, performance or achievements to differ materially from those indicated by such forward-looking statements are the factors disclosed under Risk Factors in Item 1A of our most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2016, filed with the SEC on February 27, 2017 as such factors may be updated from time to time in our periodic filings with the SEC, as well as the other information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. Forward-looking statements speak only as of the date on which such statements are made. Except as required by law, the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events.

Forward-looking statements include, but are not limited to, statements about:

- the impact of adverse conditions in the economy and capital markets on the performance of the Corporation s loan portfolio and demand for the Corporation s products and services;

- increases in non-performing assets, which may require the Corporation to increase the allowance for credit losses, charge off loans and incur elevated collection and carrying costs related to such non-performing assets;

- investment securities gains and losses, including other-than-temporary declines in the value of securities which may result in charges to earnings;

- the effects of market interest rates, and the relative balances of rate-sensitive assets to rate-sensitive liabilities, on net interest margin and net interest income;

- the effects of changes in interest rates on demand for the Corporation s products and services;

- the effects of changes in interest rates or disruptions in liquidity markets on the Corporation s sources of funding;

the Corporation s ability to manage liquidity, both at the holding company level and at its bank subsidiaries;

the impact of increased regulatory scrutiny of the banking industry;

the effects of the increasing amounts of time and expense associated with regulatory compliance and risk management;

the potential for negative consequences from regulatory violations and investigations, including potential supervisory actions and the assessment of fines and penalties;

the additional time, expense and investment required to comply with, and the restrictions on potential growth and investment activities resulting from, the existing enforcement orders applicable to the Corporation and its bank subsidiaries by federal and state bank regulatory agencies requiring improvement in compliance functions and other remedial actions, or any future enforcement orders;

the Corporation s ability to manage the uncertainty associated with the delay in implementing many of the regulations mandated by the Dodd-Frank Act;

the effects of, and uncertainty surrounding, potential changes in legislation, regulation and government policy as a result of the recent change in federal administration;

the effects of negative publicity on the Corporation s reputation;

the effects of adverse outcomes in litigation and governmental or administrative proceedings;

the potential to incur losses in connection with repurchase and indemnification payments related to sold loans;

the Corporation s ability to successfully transform its business model;

the Corporation s ability to achieve its growth plans;

the effects of competition on deposit rates and growth, loan rates and growth and net interest margin;

the Corporation s ability to manage the level of non-interest expenses, including salaries and employee benefits expenses, operating risk losses and goodwill impairment;

the effects of changes in accounting policies, standards, and interpretations on the Corporation s financial condition and results of operations;

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 impact of failures of third parties upon which the Corporation relies to perform in accordance with contractual arrangements;

the failure or circumvention of the Corporation s system of internal controls;

the loss of, or failure to safeguard, confidential or proprietary information;

the Corporation s failure to identify and to address cyber-security risks;

the Corporation s ability to keep pace with technological changes;

the Corporation s ability to attract and retain talented personnel;

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 Corporation s reliance on its subsidiaries for substantially all of its revenues and its ability to pay dividends or other distributions; and

the effects of any downgrade in the Corporation s credit ratings on its borrowing costs or access to capital markets.

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SUMMARY

The following summary should be read together with the information contained in other parts of this prospectus supplement and in the accompanying prospectus. It may not contain all the information that is important to you. You should carefully read this prospectus supplement and the accompanying prospectus and the documents incorporated by reference in their entirety, including Risk Factors beginning on page S-4 of this prospectus supplement and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, filed with the SEC on February 27, 2017 and our financial statements and the notes thereto incorporated by reference into this prospectus supplement and the accompanying prospectus before making a decision about whether to invest in the senior notes.

Fulton Financial Corporation

Fulton Financial is a Pennsylvania business corporation and a registered financial holding company that maintains its headquarters in Lancaster, Pennsylvania. As a financial holding company, Fulton Financial engages in general commercial and retail banking and trust business, and also in related financial services, through its bank and non-bank subsidiaries. Fulton Financial s bank subsidiaries currently operate 243 banking offices in Pennsylvania, Delaware, Maryland, New Jersey and Virginia. As of December 31, 2016, Fulton Financial had, on a consolidated basis, total assets of $18.9 billion, total loans, net of unearned income of $14.7 billion, total deposits of $15.0 billion and total shareholders equity of $2.1 billion.

The principal assets of Fulton Financial are its six wholly owned bank subsidiaries:

- Fulton Bank, N.A., a national banking association;
- Fulton Bank of New Jersey, a New Jersey state-chartered bank;
- The Columbia Bank, a Maryland state-chartered bank;
- Lafayette Ambassador Bank, a Pennsylvania state-chartered bank;
- FNB Bank, N.A., a national banking association; and
- Swineford National Bank, a national banking association.

In addition, Fulton Financial wholly owns the following five non-bank subsidiaries, which are consolidated for financial reporting purposes: (i) Fulton Financial Realty Company, which holds title to or leases certain properties upon which Corporation branch offices and other facilities are located; (ii) Central Pennsylvania Financial Corp., which owns certain limited partnership interests in partnerships invested primarily in low- and moderate-income housing projects; (iii) FFC Management, Inc., which owns certain investment securities and other passive investments; (iv) FFC Penn Square, Inc., which owns trust preferred securities issued by a subsidiary of Fulton Bank, N.A.; and (v) Fulton Insurance Services Group, Inc., which engages in the sale of various life insurance products. The Corporation also wholly owns three non-bank subsidiaries which are not consolidated for financial reporting purposes and whose sole assets consist of junior subordinated deferrable interest debentures issued by the Corporation as of December 31, 2016.

Our principal executive offices are located at One Penn Square, Lancaster, Pennsylvania 17604, and our telephone number is (717) 291-2411. Our common stock is traded on NASDAQ Global Select Market under the symbol FULT. Our website address is www.fult.com. This website address is not intended to be an active link and information on our website is not incorporated in, and should not be construed to be part of, this prospectus supplement.

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THE OFFERING

Issuer	Fulton Financial Corporation.
Securities Offered	$ aggregate principal amount of % senior notes due 2022.
Maturity Date	The senior notes will mature on , 2022 and are not redeemable at our option or repayable at the option of the holders at any time before that date.
Issue Date	, 2017.
Interest	Interest on the senior notes will be payable semiannually in arrears at an annual rate of % on and of each year. Interest on the senior notes offered hereby will accrue from , 2017. The first interest payment date for the notes offered hereby will be , 2017. The record dates are the 15th calendar day (whether or not a business day) immediately preceding the relevant interest payment date. The amount of each interest payment with respect to the senior notes will include amounts accrued to, but excluding, the date the interest is due.
Ranking	The senior notes are our unsecured and unsubordinated obligations and: rank equal in right of payment to all of our existing and future unsecured and unsubordinated obligations from time to time outstanding; rank senior in right of payment to all of our existing and future unsecured and subordinated indebtedness, including our 4.50% subordinated notes due 2024; are effectively subordinated to our future secured indebtedness to the extent of the value of the assets securing such indebtedness; and are structurally subordinated to all of the existing and future liabilities and obligations of our subsidiaries, including our deposit liabilities and claims of other creditors of our subsidiary banks.

The senior notes are not savings accounts or deposits and are not insured by the FDIC or any other government agency.

As of December 31, 2016, our subsidiaries had $15 billion of deposits, $567 million of Federal Home Loan Bank (FHLB) advances, $279 million of federal funds purchased, $196 million of customer repurchase agreements and $67 million of short-term promissory notes to which the senior notes will be structurally subordinated. The FHLB advances are secured by mortgage loan related collateral and the customer repurchase agreements are secured by investment securities. As of December 31, 2016, after giving effect to this offering and the use of proceeds therefrom, we had $250 million of subordinated debt and $16.5 million of junior subordinated deferrable interest debentures to which the senior notes would rank senior in right of payment.

Restrictive Covenants	The senior indenture, among other things, restricts our ability to dispose of, grant a security interest in or issue shares of voting stock of Fulton Bank, National Association and to consolidate with or merge into any other person or convey, transfer or lease all or substantially all of our properties or assets to any person, without satisfying the conditions described in the section entitled Description of Senior Notes Limitation on Disposition of Stock of Major Constituent Bank and Description of Senior Notes Consolidation, Merger, Sale of Assets and Other Transactions.
Listing	Currently, there is no public market for the senior notes. We do not intend to apply for listing of the senior notes on any securities exchange or automated dealer quotation system.
Use of Proceeds	We expect to receive net proceeds from this offering of approximately $ after deducting underwriting discounts and commissions and estimated offering expenses payable by us.
	We intend to use the proceeds from this offering, along with cash on hand, for the repayment in full of our 5.75% subordinated notes, which become due and payable on May 1, 2017 (the 5.75% Subordinated Notes), with any remaining proceeds being used for general corporate purposes.
	See Use of Proceeds.
Tax Considerations	You should carefully review the section United States Income Tax Considerations in this prospectus supplement and discuss the tax consequences of your particular situation with your tax advisor.
ERISA Considerations	For a discussion of certain prohibited transactions and fiduciary duty issues pertaining to purchases by or on behalf of an employee benefit plan, you should read ERISA Considerations.
Global Note; Book-Entry System	The senior notes offered hereby will be issued only in fully registered form without interest coupons and in minimum denominations of $1,000 and integral multiples of $1,000 in excess thereof. The senior notes offered hereby will be evidenced by a global note deposited with the trustee for the senior notes, as custodian for DTC. Beneficial interests in the global note will be shown on, and transfers of those beneficial interest can only be made through, records maintained by DTC and its

	participants. See Description of Notes Form, Denomination, Transfer, Exchange and Book-Entry Procedures.
Risk Factors	See Risk Factors and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should consider carefully before deciding to invest in the senior notes.

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RISK FACTORS

An investment in the senior notes involves certain risks. You should carefully consider the risk factors and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus before making an investment decision. In particular, you should carefully consider, among other things, the matters discussed below and under Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, filed with the SEC on February 27, 2017. Our business, financial condition and results of operations could be materially adversely affected by any of these risks. The price of the senior notes could decline due to any of these risks, and you may lose all or part of your investment. This prospectus supplement and the accompanying prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein.

Risk Factors Related to the Senior Notes

The senior notes are structurally subordinated to all indebtedness of our subsidiaries and creditors of our subsidiaries will have priority as to our subsidiaries assets.

The senior notes are not obligations of, or guaranteed by, any of our subsidiaries. As a result, our right and the rights of our creditors, including holders of the senior notes, to participate in any distribution of assets of any of our subsidiaries upon its liquidation, reorganization or otherwise would be subject to the prior claims of creditors of that subsidiary. In the event of any such distribution of assets of our bank subsidiaries, the claims of depositors and other general or subordinated creditors of such subsidiary would be entitled to priority over the claims of ours or holders of the senior notes. Accordingly, the senior notes are structurally subordinated to all of the existing and future liabilities and obligations of our subsidiaries. Claims on our subsidiary banks by creditors other than us include those by holders of our long-term debt and there are substantial obligations with respect to deposit liabilities and federal funds purchased, other short-term borrowings and various other financial obligations. As of December 31, 2016, our subsidiaries had $15 billion of deposits, $567 million of FHLB advances, $279 million of federal funds purchased, $196 million of customer repurchase agreements and $67 million of short-term promissory notes to which the senior notes will be structurally subordinated.

We are a holding company, and banking laws and regulations could limit our access to funds from our subsidiary banks with the result that we may not have access to sufficient cash to make payments on the senior notes.

As a holding company, our principal source of funds to service our debt, including the senior notes, is dividends from our subsidiaries. For the year ended December 31, 2016, our interest expense on our debt obligations was $18.1 million (holding company only), and operating expenses were $11.3 million (holding company only).

Federal and state banking regulations limit dividends from our bank subsidiaries to us. Dividend limitations vary, depending on the subsidiary bank s charter and whether or not it is a member of the Federal Reserve System. Generally, banks are prohibited from paying dividends when doing so would cause them to fall below regulatory minimum capital levels. Additionally, limits exist on banks paying dividends in excess of net income for specified periods. The total amount available for payment of dividends by our subsidiary banks was approximately $233 million at December 31, 2016, based on our subsidiary banks maintaining enough capital to be considered well capitalized. During the year ended December 31, 2016, our bank subsidiaries paid dividends of $115 million to us. Our subsidiary banks are also subject to restrictions under federal law that limit their ability to transfer funds or other items of value to us and our non-bank subsidiaries, including affiliates, whether in the form of loans and other extensions of credit, investments and asset purchases or as other transactions involving the transfer of value. In addition, federal bank regulatory agencies have the authority to prohibit our

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subsidiary banks from engaging in unsafe or unsound practices in conducting their business. The payment of dividends or other transfers of funds to us, depending on the financial condition of the bank, could be deemed an unsafe or unsound practice.

Accordingly, we can provide no assurance that we will receive dividends or other distributions from our bank subsidiaries and our other subsidiaries in an amount sufficient to pay interest on or principal of the senior notes.

Our indebtedness could adversely affect our financial results and prevent us from fulfilling our obligations under the senior notes.

In addition to our currently outstanding indebtedness and any additional indebtedness we may incur pursuant to this offering, we may be able to borrow substantial additional indebtedness in the future. If new indebtedness is incurred in addition to our current debt levels, the related risks that we now face could increase.

Our indebtedness, including the indebtedness we may incur in the future, could have important consequences for the holders of the senior notes, including:

- limiting our ability to satisfy our obligations with respect to the senior notes;
- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements;
- requiring a substantial portion of our cash flow from operations for the payment of principal of, and interest on, our indebtedness and thereby reducing our ability to use our cash flow to fund working capital, capital expenditures and general corporate requirements;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry; and
- putting us at a disadvantage compared to competitors with less indebtedness.

The senior indenture does not limit the incurrence of additional indebtedness by us, including secured indebtedness, which would be effectively senior to the senior notes to the extent of the value of the collateral securing such indebtedness.

Our business operations may not generate the cash needed to service our indebtedness.

Our ability to make payments on our indebtedness, including the senior notes, and to fund planned capital expenditures will depend on our ability to generate cash in the future. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to pay interest on and principal of our indebtedness, including the senior notes, or to fund our other liquidity needs.

The limited covenants relating to the senior notes do not protect you.

The covenants in the senior indenture governing the senior notes are limited. In addition, the senior notes and the senior indenture do not limit our or our subsidiaries ability to further issue additional senior notes, including additional notes of the same series as the senior notes, or to incur additional indebtedness. As a result, the terms of the senior indenture do not protect you in the event of an adverse change in our financial condition or results of operations, and you should not consider the terms of the senior indenture to be a significant factor in evaluating whether we will be able to comply with our obligations under the senior notes.

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There may be no active market for the senior notes.

The senior notes are a new issuance of securities with no established trading market. We do not intend to apply for listing of the senior notes on any national securities exchange or for quotation of the senior notes on any automated dealer quotation system. The underwriters have advised us that they presently intend to make a market in the senior notes. However, they are under no obligation to do so and may discontinue any market making activities at any time without any notice. A liquid or active trading market for the senior notes may not develop. If an active trading market for the senior notes does not develop, the market price and liquidity of the senior notes may be adversely affected. If the senior notes offered hereby are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our performance and other factors.

The notes are not insured or guaranteed by the FDIC.

The notes are not savings accounts, deposits or other obligations of any of our bank subsidiaries and are not insured by the Federal Deposit Insurance Corporation (the FDIC) or any other governmental agency or instrumentality.

A downgrade in our credit ratings or the ratings of our bank subsidiaries could have a material adverse impact on us.

Rating agencies continuously evaluate us and our subsidiaries, and their ratings of our and our subsidiaries long-term and short-term debt are based on a number of factors, including financial strength, as well as factors not entirely within our and our subsidiaries control, such as conditions affecting the financial services industry generally. In addition, ratings agencies have themselves been subject to scrutiny arising from the financial crisis and there is no assurance that rating agencies will not make or be required to make substantial changes to their ratings policies and practices or that such changes would not affect ratings of our securities or of securities in which we have an economic interest. In light of this, there can be no assurance that we or our subsidiaries will maintain current credit ratings.

Ratings downgrades by a rating agency could have a significant and immediate impact on our funding and liquidity through cash obligations, reduced funding capacity and collateral triggers. A reduction in our or our subsidiaries credit ratings could also increase our borrowing costs and limit its access to the capital markets. Downgrades in the credit or financial strength ratings assigned to the counterparties with whom we transact, could create the perception that our financial condition will be adversely impacted as a result of potential future defaults by such counterparties. Additionally, we could be adversely affected by a general, negative perception of financial institutions caused by the downgrade of other financial institutions. Accordingly, ratings downgrades for other financial institutions could affect the market price of our stock and could limit access to or increase our cost of capital.

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USE OF PROCEEDS

We expect to receive net proceeds from this offering of approximately $ (excluding accrued interest from , 2017) after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use the proceeds from this offering, along with cash on hand, for the repayment in full of our 5.75% Subordinated Notes which become due and payable on May 1, 2017, with any remaining proceeds being used for general corporate purposes.

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CAPITALIZATION

The following table sets forth our consolidated capitalization as of December 31, 2016 (i) on an actual basis and (ii) on an as adjusted basis to give effect to (a) the sale of $ aggregate principal amount of senior notes offered hereby and (b) the application of the net proceeds of this offering to fund the repayment in full of the 5.75% Subordinated Notes. You should read this table in conjunction with the more detailed information, including our consolidated financial statements and related notes, incorporated by reference in this prospectus supplement and accompanying prospectus.

	As of December 31, 2016 (in thousands)	
	Actual	**As Adjusted**
Cash and due from banks	$ 118,763	$ (1)
Short-term borrowings:		
Federal funds purchased	$ 278,570	$ 278,570
Other short-term borrowings	$ 262,747	$ 262,747
Total short-term borrowings	$ 541,317	$ 541,317
Long-term borrowings:		
FHLB advances	$ 567,240	$ 567,240
Subordinated Notes	$ 350,000	$ 250,000
5.75% subordinated notes due 2017	$ *100,000*	$ 0
4.50% subordinated notes due 2024	$ *250,000*	$ 250,000
% Senior Notes due 2022 offered hereby	$	$
Other long-term debt	$ (4,333)	$ (5,543)
Total long-term debt	$ 929,403	$
Shareholders equity:		
Common stock, $2.50 par value; 600 million shares authorized; 219.9 million (actual and as adjusted) shares issued as of December 31, 2016	$ 549,707	$ 549,707
Additional paid-in capital	$ 1,467,602	$ 1,467,602
Retained earnings	$ 732,099	$ 732,099
Accumulated other comprehensive (loss) income	$ (38,449)	$ (38,449)
Treasury stock (45.8 million shares (actual and as adjusted) as of December 31, 2016) at cost	$ (589,844)	$ (589,844)
Total shareholders equity	$ 2,121,115	$
Total long-term debt and Shareholders equity	$ 3,050,518	$

(1) We expect to use approximately $ million of cash on hand in connection with the repayment in full of the 5.75% Subordinated Notes.

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CONSOLIDATED CAPITAL RATIOS

The following table sets forth our consolidated regulatory capital ratios at December 31, 2016 (i) on an actual basis and (ii) on an as adjusted basis to give effect to (a) the sale of the $ aggregate principal amount of senior notes offered hereby and (b) the application of the net proceeds of this offering to fund the repayment in full of the 5.75% Subordinated Notes.

	As of December 31, 2016	
	Actual	As Adjusted
Tier 1 leverage ratio	9.0%	9.0%
Common equity Tier 1 ratio	10.4%	10.4%
Tier 1 risk-based capital ratio	10.4%	10.4%
Total risk-based capital ratio	13.2%	13.2%

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RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth certain information concerning our consolidated ratio of earnings to fixed charges for the periods shown.

	Year Ended December 31,				
	2016	**2015**	**2014**	**2013**	**2012**
Ratio of earnings to fixed charges:					
Excluding interest on deposits	5.70	5.00	5.02	5.08	5.11
Including interest on deposits	3.34	3.21	3.41	3.39	2.98

The ratio of earnings to fixed charges is calculated in accordance with SEC requirements and computed by dividing earnings by the aggregate of fixed charges. For purposes of computing these ratios, earnings consist of net income before extraordinary items plus applicable income taxes and fixed charges. Fixed charges, excluding interest on deposits, consist of interest expense on borrowings and securities sold under repurchase agreements.

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DESCRIPTION OF SENIOR NOTES

The following summary of the senior notes does not purport to be complete and is qualified in its entirety by the Senior Indenture (as defined below), including the definitions therein of certain terms. Unless otherwise specified, capitalized terms used in this summary have the meanings specified in the Senior Indenture. For purposes of this Description of Senior Notes, references to the Corporation, Fulton Financial, we, and us include only Fulton Fin Corporation and not to any of its consolidated subsidiaries.

General

The senior notes offered hereby will be issued under a senior debt indenture, dated as of March nt Contracts held by the Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans (the FSP) in 2006. Pursuant to the adoption of the FSP, fully benefit-responsive investment contracts included in the underlying investments in the Master Trust in which the Plan holds an interest are to be presented at fair value (the Stable Value Fund). In addition, any material difference between the fair value of these investments and their contract value is to be presented as a separate adjustment line in the statement of net assets available for benefits, because contract value remains the relevant measurement attribute for that portion of net assets available for benefits attributable to fully benefit-responsive investment contracts. Management has determined that the estimated fair value of the Plan s indirect investments in fully benefit-responsive contracts as of December 31, 2006 and 2005 approximates contract value, and any difference between fair value and contract value is immaterial. As a result, the adoption of the FSP would have no material impact on the statement of net assets available for benefits as of December 31, 2006 and 2005. Accordingly, management determined that no adjustment will be made as a result of adoption of the FSP.

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McDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2006 and 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Valuation: Investments in the Master Trust are stated at fair value. Investments in common and preferred stocks are valued at the closing exchange prices reported by the New York Stock Exchange. The fair values for commercial paper and other short-term investments are cost plus accrued interest, which approximates current market value. Shares of mutual funds are valued at quoted market prices. Investments in common collective funds are valued at fair value as determined by the trustee based on the value of the underlying securities. Participant loans are valued at their outstanding balances, which approximate fair value.

The Master Trust investments include a Stable Value Fund which is a unitized fund managed by Invesco solely for the plans participating in the Master Trust. The fair values of the fully benefit-responsive investment contracts held in the Stable Value Fund have been estimated with a discounted cash flows methodology. Based on its duration, the estimated cash flow of each contract was discounted using a yield curve interpolated from swap rates and adjusted for liquidity and credit quality. For those contracts with no stated payment dates, the projected value at the end of the required days notice period was assumed to pay in full and this payment was then discounted following the same process. The fair values of the wrap contracts associated with the synthetic investment contracts within the Stable Value Fund have been based upon the estimated replacement costs of the wrap contracts as of the financial statement dates. The fair values of the wrapper contracts were not material as of December 31, 2006 and 2005. See the New Accounting Standard note above regarding the difference between the contract value and fair value for the investments in the Stable Value Fund. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses.

Purchases and sales of securities are accounted for on a trade-date basis. Realized gains or losses on the sale of securities are based on the average cost of the securities. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on the accrual basis.

Unallocated Net Assets Available for Benefits: Unallocated net assets available for benefits represents the market value of shares of McDonald s common stock purchased through the ESOP which has not been released for allocation to participants accounts offset by the balance of the debt issued by the ESOP. Unallocated net assets available for benefits are reduced by the market value of the shares as they are allocated to participants.

Payment of Benefits: Benefits are recorded at the time of payment.

(Continued)

McDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2006 and 2005

NOTE 3 - INTEREST IN MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS MASTER TRUST

The Plan s investments are in the Master Trust which was established for the investment of assets of the Plan and another Company sponsored plan. Each participating plan has an undivided interest in the Master Trust. The assets of the Master Trust are held by The Northern Trust Company (the asset custodian). At December 31, 2006 and 2005, the Plan s interest in the net assets of the Master Trust was approximately 98.3% and 97.4%, respectively, in allocated assets and 100% in unallocated assets for both years. Investment income and expenses are allocated to the Plan based upon its pro-rata share in the net assets of the Master Trust.

The Plan s interest in the net assets of the Master Trust is included in the accompanying statements of net assets available for benefits. A summary of the net assets of the Master Trust as of December 31, 2006 and 2005 is as follows:

	2006		
	Allocated	**Unallocated**	**Total**
Investments, at fair value			
Commercial paper and other short-term investments	$ 36,811,030	$ 5,484,634	$ 42,295,664
U.S. treasury notes	159,795		159,795
Common collective funds	395,845,421		395,845,421
Mutual funds	372,939,898		372,939,898
Common/preferred stocks other than McDonald s	208,794,852		208,794,852
McDonald s Corporation common stock	919,862,971	239,036,625	1,158,899,596
Participant loans	20,975,589		20,975,589
Securities loaned	46,196,443		46,196,443
Pooled cash collateral	45,544,492		45,544,492
Total investments	2,047,130,491	244,521,259	2,291,651,750
Obligation for collateral received for loaned securities	(45,544,492)		(45,544,492)
Accrued income	1,905,306		1,905,306
Net assets reflecting all investments at fair value	2,003,491,305	244,521,259	2,248,012,564
Net assets of master trust	$ 2,003,491,305	$ 244,521,259	$ 2,248,012,564

(Continued)

McDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2006 and 2005

NOTE 3 - INTEREST IN MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS MASTER TRUST (Continued)

	2005		
	Allocated	**Unallocated**	**Total**
Investments, at fair value			
Commercial paper and other short-term investments	$ 13,728,256	$ 4,161,601	$ 17,889,857
U.S. treasury notes	771,844		771,844
Common collective funds	396,506,814		396,506,814
Mutual funds	295,850,748		295,850,748
Common/preferred stocks other than McDonald s	197,565,459		197,565,459
McDonald s Corporation common stock	783,269,638	203,815,145	987,084,783
Participant loans	18,676,512		18,676,512
Securities loaned	34,622,611		34,622,611
Pooled cash collateral	35,533,859		35,533,859
Total investments	1,776,525,741	207,976,746	1,984,502,487
Obligation for collateral received for loan securities	(35,533,859)		(35,533,859)
Net assets reflecting all investments at fair value	1,740,991,882	207,976,746	1,948,968,628
Net assets of master trust	$ 1,740,991,882	$ 207,976,746	$ 1,948,968,628

Investment income for the Master Trust for the year ended December 31, 2006, is as follows:

Net appreciation in fair value of investments	
Mutual funds	$ 36,975,221
Common collective funds	5,928,631
Common/preferred stock other than McDonalds	25,835,213
McDonald s Corporation common stock	277,485,499
Securities loaned	154,738
Commission recapture	68,639
	346,447,941
Interest	25,981,439
Dividends	35,372,093
	$ 407,801,473

(Continued)

McDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2006 and 2005

NOTE 4 - INVESTMENT CONTRACTS

The Master Trust investments include a Stable Value Fund, managed by Invesco, which is a unitized fund established solely for the investment of assets of the plans participating in the Master Trust. The account is credited with earnings on the underlying investments and charged for Plan withdrawals and administrative expenses charged by Invesco. The Stable Value Fund holds synthetic guaranteed investment contracts and common collective funds as underlying investments. The contracts are included in the financial statements at fair value (which approximates contract value See Note 2).

The investment contracts within the Stable Value Fund specify certain conditions under which distributions from the contracts would be payable at amounts below contract value. Such circumstances include the termination of the Plan, a material adverse change to the provisions of the Plan, if the employer elects to withdraw from a wrapper contract in order to switch to a different investment provider, or if the terms of a successor plan (in the event of the spin-off or sale of a division) do not meet the wrapper contract issuer s underwriting criteria for issuance of a clone wrapper contract. The contracts limit the circumstances under which the issuer may terminate the contracts. Examples of circumstances which would allow the issuer to terminate the contracts include the Plan s loss of its qualified status, un-cured material breaches of responsibilities, or material and adverse changes to the provisions of the Plan. If one of these events were to occur, the issuer could terminate the contracts at the market value of the underlying investments. Currently, management believes that the occurrence of an event that would cause the plan to transact contract distributions at less than contract value is not probable.

The crediting interest rates of the contract are based on agreed-upon formulas with the issuers, as defined in the contract agreements, but cannot be less than zero. The interest rates are reviewed on a yearly basis for resetting. The key factors that influence future interest crediting rates could include the following: the level of market interest rates; the amount and timing of participant contributions; transfers and withdrawals into/out of the contracts; and the duration of the underlying investments backing the contracts. The Plan s allocable share of the resulting gains and losses in the fair value of the investment contracts relative to the contract value, if any, has been determined by management not to be material to the Plan. No adjustment is reflected in the Plan s 2006 and 2005 statements of net assets available for benefits, or in the presentation of the net assets of the Master Trust in Note 3, as the fair value of the investment contracts has been estimated to approximate their aggregate contract value.

(Continued)

McDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2006 and 2005

NOTE 4 - INVESTMENT CONTRACTS (Continued)

	2006	2005
Average contract yield, in the aggregate for all contracts:		
Based on annualized earnings (1)	5.00%	4.62%
Based on interest rate credited to participants (2)	5.31%	4.78%

(1) Computed by dividing the annualized one-day actual earnings of the contracts on the last day of the Plan year by the fair value of the contracts investments on the same date.

(2) Computed by dividing the annualized one-day earnings credited to participants on the last day of the Plan year by the fair value of the contracts investments on the same date.

NOTE 5 - NONPARTICIPANT-DIRECTED INVESTMENTS

The unallocated ESOP, as disclosed in the Unallocated Account column on pages 2 through 4 of the basic financial statements, consists solely of nonparticipant-directed investments.

NOTE 6 - NOTES PAYABLE

In September 1989, the Leveraged ESOP issued $200 million of 7.67% Guaranteed ESOP Notes, Series A, for 15 years with a final maturity of September 15, 2004. In April 1991, the Leveraged ESOP issued $100 million of 7.30% Guaranteed ESOP Notes, Series B, for 15 years with a final maturity of June 1, 2006. In November 1999, the Leveraged ESOP paid down $84,740,000 of these notes and refinanced both the Series A and Series B notes. At that time, the Leveraged ESOP issued a $104,672,800, 7.11% ESOP Note, for 19 years with a final maturity of July 15, 2018, and a $28,305,658, 7.11% ESOP Note, for three years with a final maturity of July 15, 2002. Principal and interest payments are made according to the applicable loan schedules. Dividends on the converted common stock and Company contributions are used to repay the loans.

In December 1994, the Leveraged ESOP issued a total of $17,460,000 of 6.52%, 6.59%, and 6.57% Guaranteed ESOP Notes, Series C, with final maturities of September 15, 2004, June 1, 2006, and December 1, 2005, respectively. In November 1999, $8,684,656 of these notes was paid down, leaving a total of $8,775,344 remaining. In December 1995, the Leveraged ESOP issued a total of $18,970,000 of 6.74%, 6.75%, 6.72%, and 6.68% Guaranteed ESOP Notes, Series C, with final maturities of December 1, 2004 and 2005, September 15, 2004, and December 15, 2003, respectively. In November 1999, $11,771,030 of these notes was paid down, leaving a total of $7,198,970 remaining.

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McDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2006 and 2005

NOTE 6 - NOTES PAYABLE (Continued)

In December 1996, the Leveraged ESOP issued a total of $20,220,000 of 6.82%, 6.75%, and 6.77% Guaranteed ESOP Notes, Series C, with final maturities of December 1, 2004, December 15, 2002, and December 15, 2003, respectively. In November 1999, $14,181,859 of these notes was paid down, leaving a total of $6,038,141 remaining. In December 1997, the Leveraged ESOP issued a total of $18,350,000 of 6.89%, 6.86%, and 6.81% Guaranteed ESOP Notes, Series C, with final maturities of December 1, 2004, December 1, 2003, and December 15, 2002, respectively. In November 1999, $13,600,913 of these notes was paid down, leaving a total of $4,749,087 remaining. All proceeds were used for prepayment of the Series A and B Guaranteed ESOP Notes. The terms of the Series C Notes required semiannual interest payments with lump-sum principal payments at maturity date.

The Series A/B Notes are collateralized by unallocated shares of McDonald s common stock, valued at $239,036,625 at December 31, 2006. All Notes are guaranteed by McDonald s Corporation. Holders of the Notes have no recourse against the assets of the ESOP, except for such collateralized shares, cash contributions to the ESOP, and earnings attributable to such collateralized shares or contributions. The unallocated shares of McDonald s common stock may be released from collateral under certain circumstances without the consent of the holders of the Notes.

Following are maturities of the Notes for each of the next five years and beyond (in thousands):

	Series A Notes	Series B Notes	Total
2007	$ 5,100	$ 2,570	$ 7,670
2008	5,217	2,628	7,845
2009	5,291	2,666	7,957
2010	5,318	2,679	7,997
2011	5,363	2,702	8,065
Beyond 2011	26,345	13,271	39,616
Total over remaining life of notes	$ 52,634	$ 26,516	$ 79,150

NOTE 7 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to allow an Employer to discontinue its contributions at any time and the Company may terminate the Plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

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McDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2006 and 2005

NOTE 8 - ADMINISTRATIVE FEES

The custodian and investment managers fees applicable to each investment fund are netted against the related investment income before investment income is allocated to participants accounts. Fees for managed account services provided by an independent third-party are charged directly to participant accounts only for individuals that use this service. Certain administrative expenses directly associated with the Plan are paid by the Plan and charged to participants accounts, including salary expenses for certain Company employees. The Company provides other administrative services to the Plan without charge.

NOTE 9 - INCOME TAX STATUS

The Internal Revenue Service has determined and informed the Company by letter dated April 19, 2006, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan s administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

NOTE 10 - TRANSACTIONS WITH PARTIES IN INTEREST

During 2006, through its investment in the Master Trust, the Plan received $26,050,846 in common stock dividends from the Company. In connection with the Leveraged ESOP refinancing discussed in Note 6, $132,978,458 of debt, at an interest rate of 7.11%, was issued directly by the Company to the Plan in 1999. This loan is intended to be an exempt loan under Section 408(b)(3) of ERISA and Section 4975(d)(3) of the IRC. Fees charged to the Plan by the Company for administrative expenses equaled approximately $733,000 during 2006 (see also Note 8).

The Master Trust received a payment in 2007 from its current and prior recordkeepers due to an adjustment to the recordkeeping fees paid by the Plan in 2006 and prior years approximating $500,000.

Certain Plan assets, which are in the Master Trust, are invested in participant loans or investments managed by The Northern Trust Company, the custodian of the Plan, therefore these transactions qualify as party-in-interest. A portion of the Master Trust s assets are also invested in Company stock (see Note 3).

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McDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2006 and 2005

NOTE 11 - RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants account balances and the amounts reported in the statements of net assets available for benefits.

NOTE 12 - SECURITIES LENDING

The Master Trust increases its investment income by lending the Master Trust s securities, through the asset custodian, to independent third parties. When the Master Trust lends securities, it is subject to a risk of failure by the borrower to return the loaned securities or a delay in delivery of the securities, in which case the Master Trust may incur a loss. To limit this risk, such loans are contractually required to be continuously secured by the collateral consisting of cash, cash equivalents, or U.S. Treasury bonds in an amount at least equal to the market value of the securities loaned. As of December 31, 2006 and 2005, $46,196,443 and $34,622,611, respectively, of the Master Trust s securities on loan as reported in Note 3 were secured by cash collateral with a market value of $45,544,492 and $35,533,859, respectively. At December 31, 2006 and 2005, $1,928,308 and $13,409, respectively, of non-cash collateral was not required to be reported in the financial statements.

NOTE 13 - RECLASSIFICATION

Certain 2005 amounts have been reclassified to conform with current year presentation.

(Continued)

McDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2006 and 2005

NOTE 14 - SUBSEQUENT EVENTS

Effective January 1, 2007, no more than 20% of a participant s contribution elections may be invested in the McDonald s Common Stock Fund. If a participant s future contribution election directs the investment of more than 20% in the McDonald s Common Stock fund, the amount shall be reduced to the maximum amount permitted to be invested in the McDonald s Common Stock Fund and the amount in excess shall be invested in the Blended Stock/Bond Fund.

Effective May 1, 2007, two new investment options, Real Estate Securities Fund and Small Company Index Fund, will be offered by the Plan.

Effective January 1, 2007, the loan processing fee increased from $60 to $64.

On February 28, 2007, the Plan was amended to expand the definition of compensation.

(Continued)

SUPPLEMENTAL SCHEDULE

McDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2006

Name of Plan Sponsor: McDonald s Corporation

Employer Identification Number: 36-2361282

Three-Digit Plan Number: 001

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
*	Plan participants	Participant loans, varying maturities with interest rates ranging from 5% to 5.75%	**	$ 19,619,131

* Represents a party-in-interest to the Plan

** Historical cost is disclosed only for nonparticipant-directed investments.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

	MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN	
	By:	ADMINISTRATIVE COMMITTEE
Date: June 28, 2007	By:	/s/ Michael D. Richard Michael D. Richard Chairman of the Administrative Committee