



First Horizon National Corporation

Fourth Quarter 2016 Earnings

January 13, 2017

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- *Portions of this presentation use non-GAAP financial information. Each of those portions is so noted, and a reconciliation of that non-GAAP information to comparable GAAP information is provided in a footnote or in the appendix at the end of this presentation.*
 - *This presentation contains forward-looking statements, which may include guidance, involving significant risks and uncertainties which will be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “estimate”, “should”, “is likely”, “will”, “going forward” and other expressions that indicate future events and trends and may be followed by or reference cautionary statements. A number of factors could cause actual results to differ materially from those in the forward-looking statements. These factors are outlined in our recent earnings and other press releases and in more detail in the most current 10-Q and 10-K. FHN disclaims any obligation to update any such forward-looking statements or to publicly announce the result of any revisions to any of the forward-looking statements to reflect future events or developments.*

2016 Accomplishments

Moving Toward Bonefish Profitability Targets

Diluted EPS \$0.94	ROA 0.87%	ROTCE ¹ 10.6%	CET1 ² 9.9%
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- ✓ Return on Tangible Common Equity (ROTCE)¹ at 10.6%, up 662 bps from 2015
- ✓ Consolidated revenue growth of 9% vs expense decrease of 12%³
- ✓ Average loans up 10% and average core deposits up 11% from 2015

Regional Banking

- ✓ Revenue growth of 9%, NII increase of 13%
- ✓ Average loan growth of 15%, including acquisition of franchise finance portfolio
- ✓ Continued focus on improving returns with expansion of specialty areas such as franchise finance, specialty healthcare, equipment finance and music industry lending

Fixed Income

- ✓ Revenue up 13% while expenses increased 4%⁴
- ✓ Fixed income product average daily revenue up 18% to \$919k for full-year 2016
- ✓ ROA at 1.4% and ROE at 23%¹

Non-Strategic

- ✓ Reduced to 8% of total loans, compared to 12% of total loans at 4Q15
- ✓ Mortgage repurchase reserve release of \$33mm

Capital Deployment

- ✓ Acquired franchise finance loan portfolio
- ✓ Agreed to acquire Coastal Securities
- ✓ Retired \$250mm of debt
- ✓ Repurchased ~7.4mm shares at an average price of \$12.67⁵
- ✓ Declared common dividends of \$0.28 per share

FINANCIAL RESULTS

Consolidated Financial Results

<i>\$ in millions</i> Financial Results	4Q16 Actuals	4Q16 vs		FY 2016 Actuals	FY 2016 vs FY 2015
		3Q16	4Q15		
Net Interest Income	\$196	+6%	+17%	\$729	+12%
Fee Income	\$124	-16%	-6%	\$552	+7%
Total Revenue	\$320	-4%	+7%	\$1,282	+9%
Expense	\$238	+2%	-2%	\$925	-12%
Adjusted Expense ¹	\$233	*	+4%	\$920	+6%
Loan Loss Provision	\$0	NM	NM	\$11	+22%
Pretax Income	\$82	-15%	+51%	\$345	NM
Net Income Available to Common Shareholders (NIAC)	\$53	-16%	+13%	\$221	NM
EPS	\$0.23	-15%	+15%	\$0.94	NM
Average Loans (\$B)	\$19.4	+4%	+15%	\$18.3	+10%
Average Core Deposits (\$B)	\$21.7	+5%	+14%	\$20.3	+11%

- Diluted EPS at \$0.23 for 4Q16, \$0.94 in FY 2016
- Linked quarter solid performance driven by continued strong balance sheet growth, increased NII, and stable credit quality; partially offset by lower fixed income activity and legal settlement accruals
- Average loans up 15%² and core deposits up 14% YOY
- 4Q16 notable items included \$4.7mm in litigation accruals

Segment Highlights

<i>Net Income / Per Share Impact¹</i>	4Q16	3Q16	4Q15
Regional Banking	\$63mm / \$0.27	\$65mm / \$0.28	\$51mm / \$0.21
Fixed Income	\$4mm / \$0.02	\$9mm / \$0.04	\$7mm / \$0.03
Corporate²	\$(17mm) / \$(0.07)	\$(16mm) / \$(0.07)	\$(8)mm / \$(0.03)
Non-Strategic	\$3mm / \$0.01	\$4mm / \$0.02	\$(3)mm / \$(0.01)
Total²	\$53mm / \$0.23	\$63mm / \$0.27	\$47mm / \$0.20

vs Prior-Year Quarter

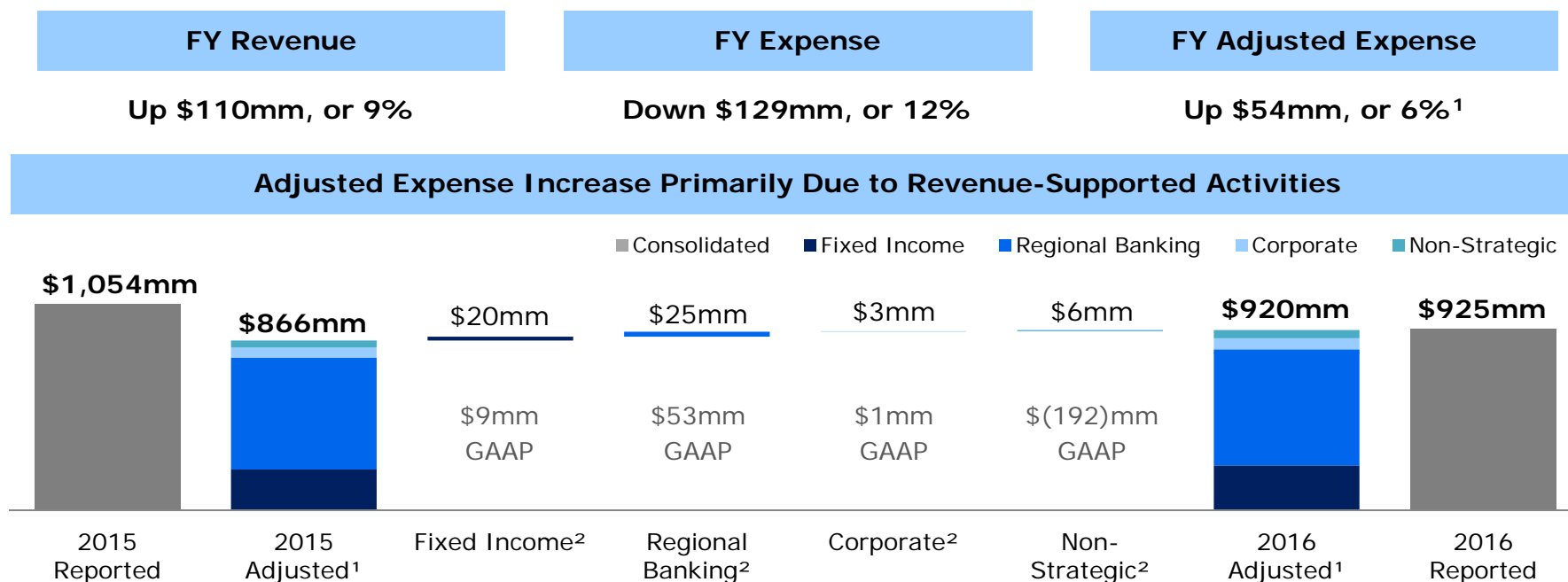
- Regional Banking up significantly on strong balance sheet growth and operating leverage
- Corporate pretax impact relatively steady, with variance driven by significantly lower tax rate in 4Q15

vs Linked Quarter

- Regional Banking and Corporate steady
- Fixed Income down due to lower fixed income trading activity

Driving Positive Operating Leverage

2016 Expense Growth Driven by Revenue-Supported Costs & Investments



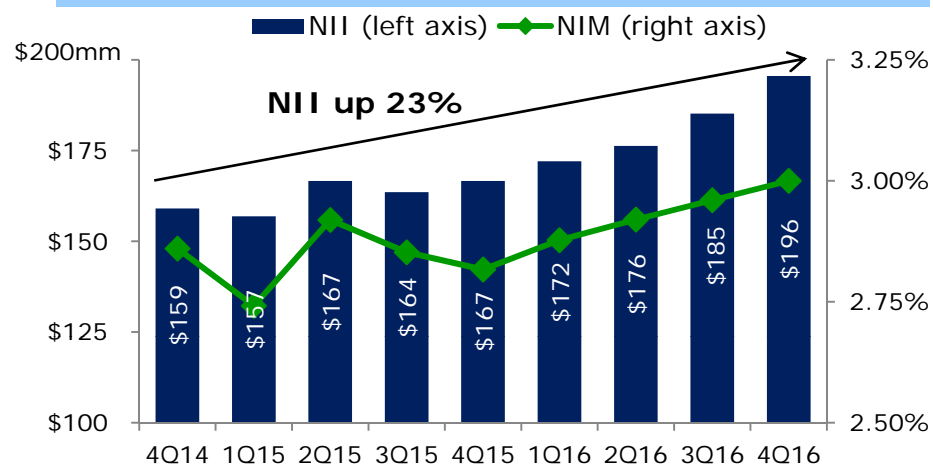
- | | |
|--------------------------|---|
| Fixed Income | <ul style="list-style-type: none"> Revenue up \$33mm, demonstrating solid positive operating leverage |
| Regional Banking | <ul style="list-style-type: none"> Revenue increased \$84mm, delivering significant positive operating leverage Personnel spend in revenue-producing areas accounts for majority of increase in adjusted expense 2016 investments in specialty areas and growth markets will add net profitability going forward <ul style="list-style-type: none"> Franchise Finance – added 13 professionals; Specialty Healthcare – added 6 professionals; Equipment Finance – added 5 professionals; Music Industry – added 3 professionals Financial center count down ~10%, somewhat offsetting continued investment in digital banking |
| Corporate/ Non-Strategic | <ul style="list-style-type: none"> Legal-related impacts primary drivers of change vs 2015 |

Consolidated Net Interest Income and Net Interest Margin

Strong NII Growth and Margin Expansion

- NII up 6% LQ, up \$29mm or 17% YOY
- NIM at 3.00%, up 4 bps LQ and up 18 bps YOY
- Average loan growth of 4% LQ and 15% YOY
- Average core deposits up 5% LQ and 14% YOY
- Regional bank loan yields up 7 bps LQ and 20 bps YOY; deposit costs up 1 bps LQ and 4 bps YOY
- Asset sensitivity unchanged
 - Floating rate loans comprise 68% of loan portfolio
 - Securities portfolio duration extension offset by deposit growth

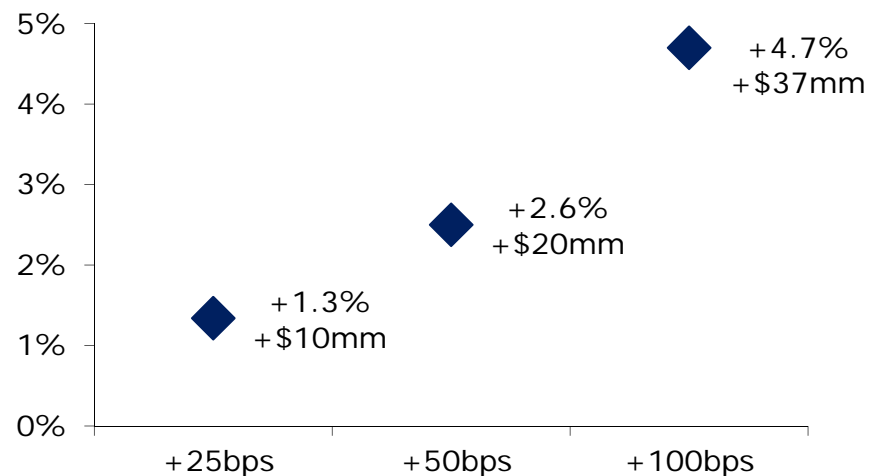
NIM Expansion and Loan Growth Drive NII Increase



NII and NIM Linked-Quarter Change Drivers

(\$ in millions)	NII	NIM
3Q16	\$185.2	2.96%
Increase in Rates	+\$3.7	+6bp
Higher Commercial Loan Volume	+\$6.3	-
Higher Balances at Fed	-	-2bp
Other	+\$0.4	-
4Q16	\$195.6	3.00%

Net Interest Income Sensitivity Impact¹



Regional Banking Financial Results

Strong Year-over-Year Balance Sheet, NII and PPNR Growth

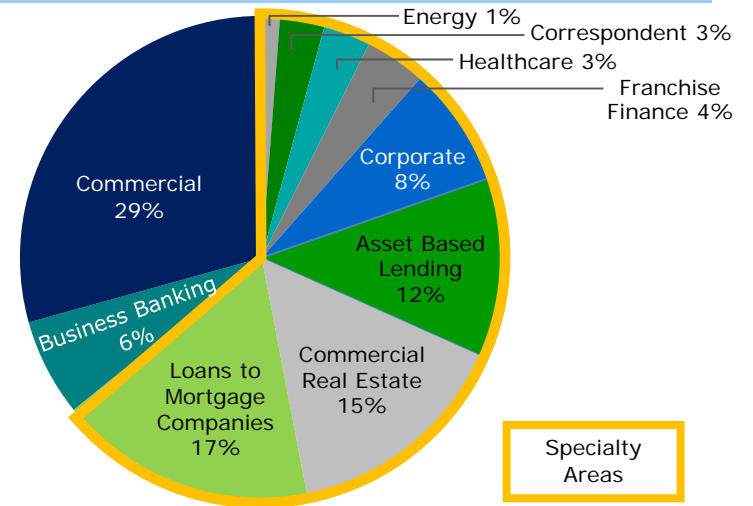
\$ in millions Financial Results	4Q16 Actuals	4Q16 vs		FY 2016 Actuals	FY 2016 vs FY 2015
		3Q16	4Q15		
Net Interest Income	\$201	+5%	+18%	\$742	+13%
Fee Income	\$63	-3%	+1%	\$249	-1%
Total Revenue	\$264	+3%	+14%	\$991	+9%
Expense	\$161	+11%	+9%	\$616	+9%
PPNR ¹	\$103	-7%	+22%	\$375	+9%
Loan Loss Provision	\$5	-45%	-20%	\$39	+13%
Pre-Tax Income	\$99	-3%	+25%	\$336	+9%
Net Income	\$63	-3%	+24%	\$216	+9%
Adjusted Expense ²	\$158	+6%	+7%	\$591	+4%
Adjusted PPNR ^{1,2}	\$106	*	+25%	\$399	+17%
Adjusted Pre-Tax Income ²	\$101	+4%	+28%	\$361	+18%
Average Loans (\$B)	\$17.7	+5%	+20%	\$16.4	+15%
Average Core Deposits (\$B)	\$18.4	+2%	+6%	\$18.0	+7%

- Positive YOY operating leverage, with total revenue up 14% and adjusted expense up 7%²
- Revenue up 3% LQ, driven by 5% NII increase
 - NII increase driven by higher commercial loan balances
 - Average loans up LQ and YOY from strong growth across multiple specialty areas and markets
- Expense up LQ and YOY
 - Litigation expense in 4Q16 unfavorable by \$2.7mm, compared to favorable \$4.3mm in 3Q16
 - Higher incentive compensation related to strategic hires in expansion markets and specialty areas in 4Q16

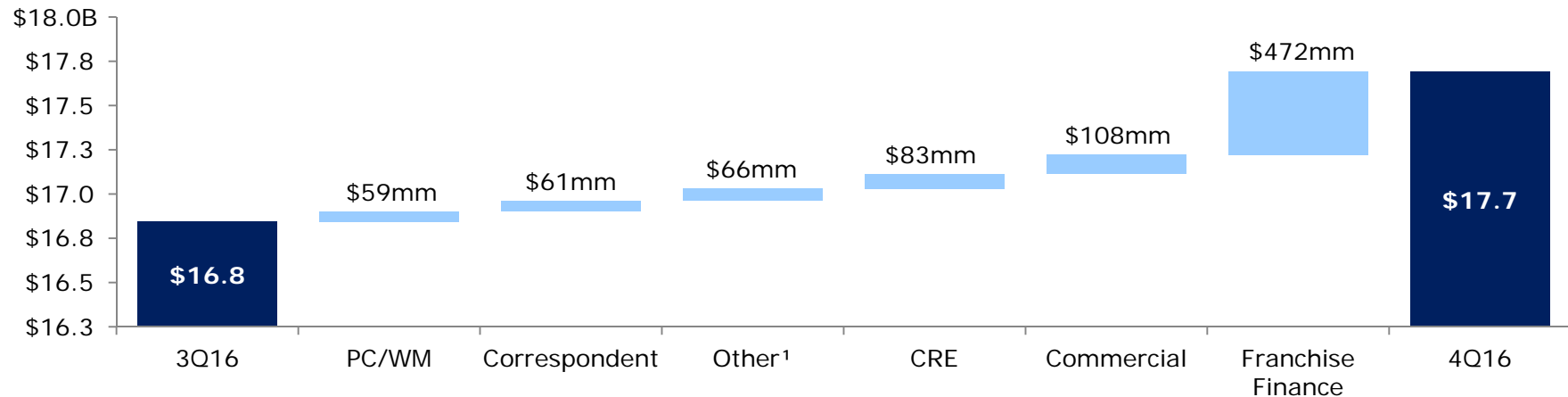
Profitable Growth Opportunities: Regional Banking

- Regional Banking average loan growth of 20% YOY and 5% LQ
- PE loans at \$17.9B
- Average Commercial loans up 25% YOY and 6% LQ
 - Includes Franchise Finance portfolio acquisition
- Continued strong loan growth in specialty areas and expansion markets
 - Middle TN up 8% YOY; West TN up 2% YOY
 - Mid-Atlantic up 14% YOY and 4% LQ
 - Average Loans to Mortgage Companies flat LQ
 - CRE growth of 4% LQ

4Q16 Average Regional Bank Commercial Loans



Regional Banking Average Loan Growth by Lending Area



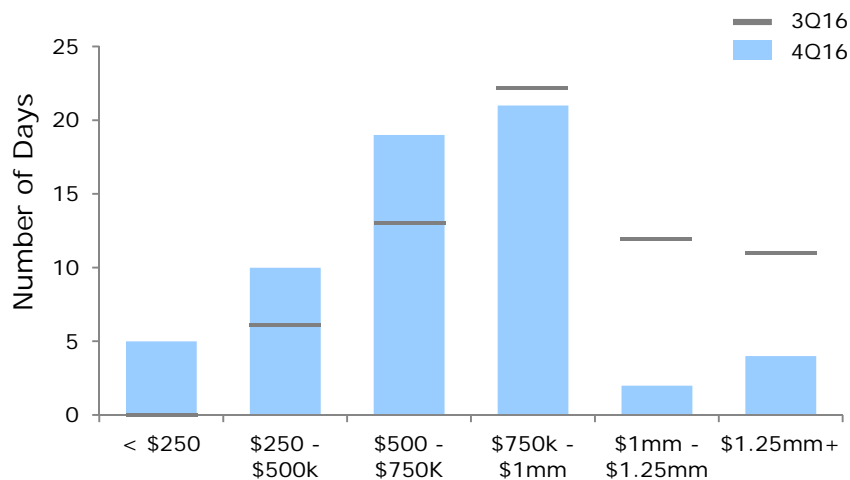
Fixed Income - FTN Financial

Solid Financial Results in Shifting Fixed Income Market

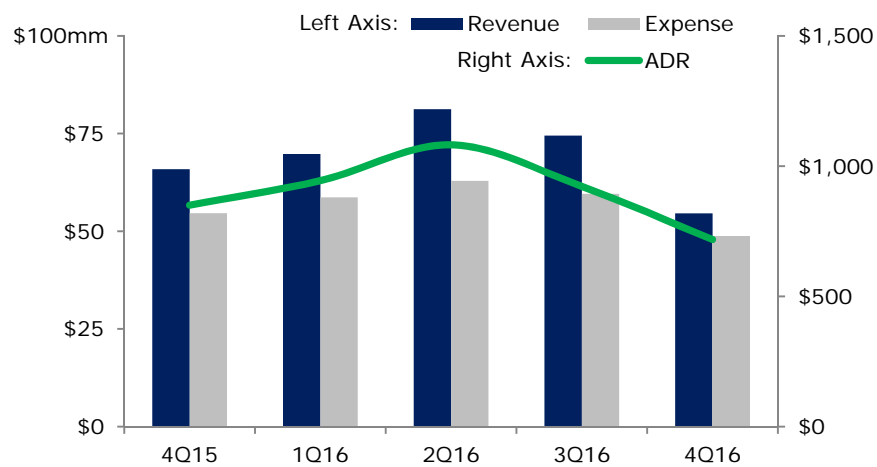
- Fixed income product average daily revenue (ADR) up 18% from 2015 to 2016
 - ADR at \$718k in 4Q16 vs \$922k in 3Q16
- Fixed income product ADR LQ decrease driven by market uncertainties, a sharp increase in rates and lower trading activity
- Focused on investing in extensive fixed income distribution platform:
 - Strategic hires to increase market share
 - Agreed to acquire Coastal Securities, expanding product set to better serve customer base
 - Maintained position as #1 underwriter of callable GSE debt for 2016, with increases in both number of issues and par volume underwritten
 - Top 10 competitive municipal underwriter for 2016

Financial Results	4Q16 Actuals	4Q16 vs		FY 2016 Actuals	FY 2016 vs
		3Q16	4Q15		FY 2015
NII	\$3	+\$0	-\$1	\$11	-\$5
Fee Income	\$52	-\$20	-\$10	\$269	+\$38
Expense ¹	\$49	-\$11	-\$6	\$230	+\$9
Pretax Income	\$6	-\$9	-\$5	\$50	+\$24
Net Income	\$4	-\$5	-\$3	\$32	+\$15
ADR	\$718k	-\$204k	-\$132k	\$919k	+\$138k

4Q16 Daily Fixed Income Product Revenue



Fixed Income Product Revenue and Expense



Asset Quality

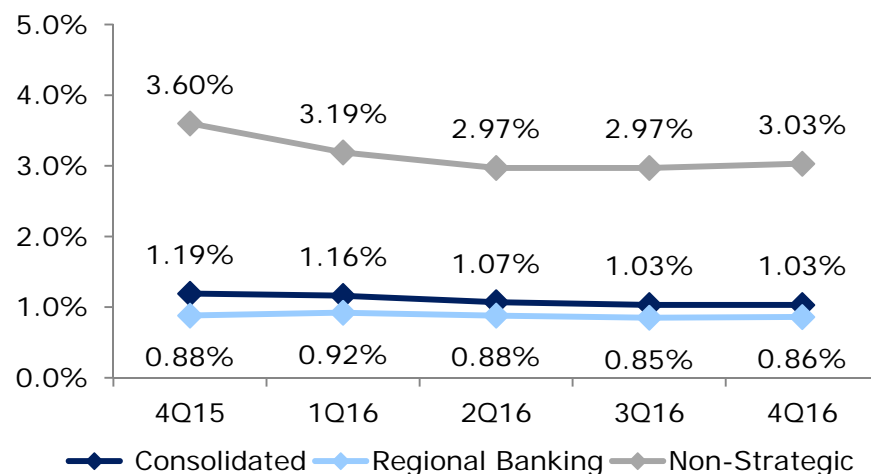
Stable Credit Trends Reflect Strong Underwriting Discipline

- Net recoveries of \$0.5mm vs net charge-offs of \$2.3mm in 3Q16
- Non-performing assets down to \$165mm in 4Q16 vs \$174mm in 3Q16
 - Decrease largely driven by improvement in consumer real estate portfolio
- 30+ delinquencies as a percentage of total loans at 34 bps in 4Q16
 - Regional bank delinquencies at 18 bps
- Non-strategic loans reduced to 8% of total average loans at 4Q16, down from 12% a year ago

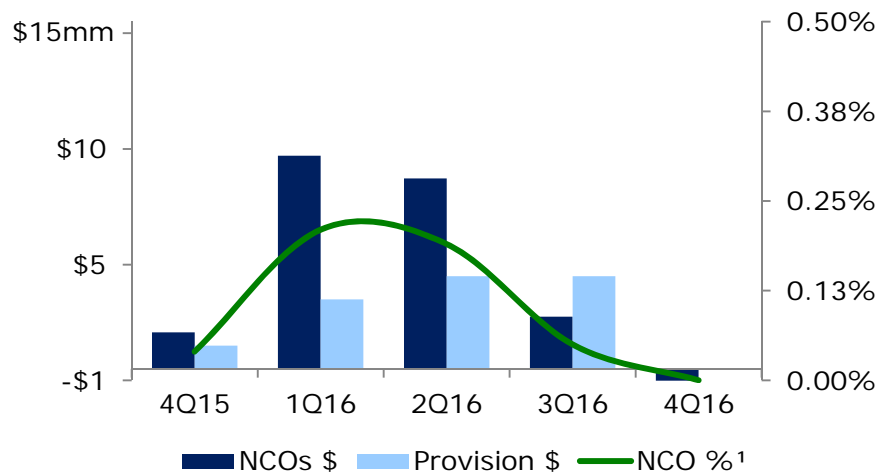
Asset Quality Highlights

(\$ in mm)	4Q15	1Q16	2Q16	3Q16	4Q16
Provision	\$1	\$3	\$4	\$4	-
Charge-offs	\$(17)	\$(18)	\$(18)	\$(10)	\$(11)
Recovery	\$15	\$8	\$10	\$8	\$12

Allowance to Loans Ratio by Segment

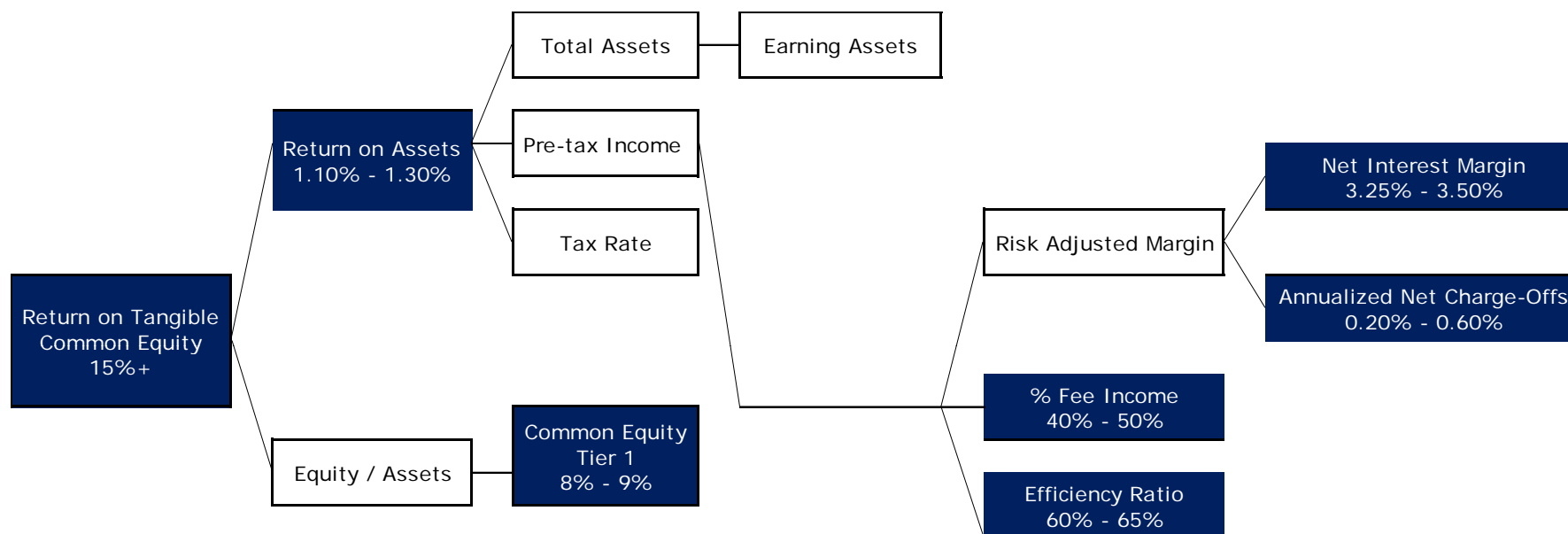


Net Charge-Offs



Building Long-Term Earnings Power: Bonefish Targets

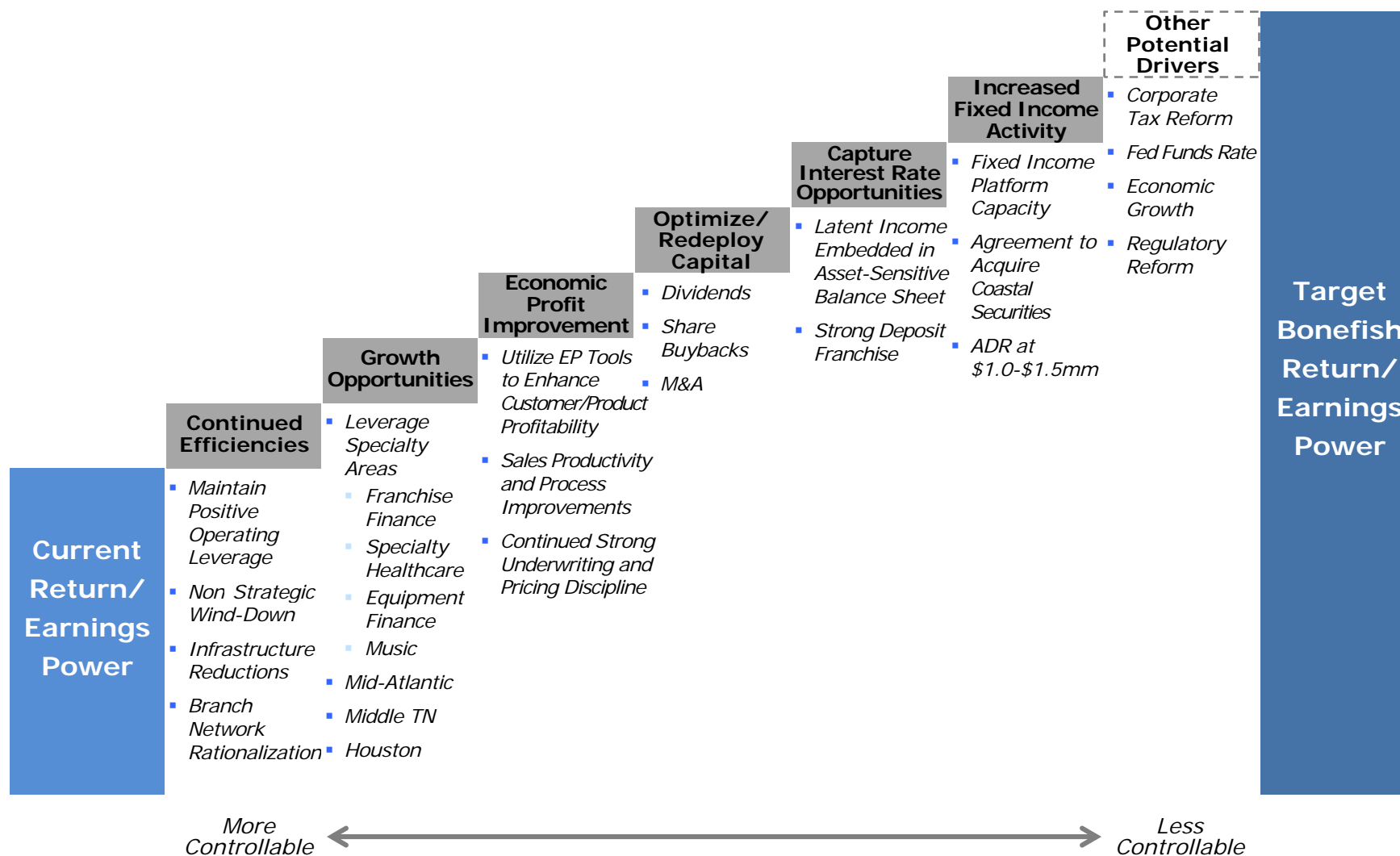
Focused on Growing Our Company Selectively and Profitably While Positioning Our Balance Sheet for Sustainable, Higher Returns in the Long Term



2016	Consolidated	Long-Term Targets
ROTCE ¹	10.6%	15.0%+
ROA	0.87%	1.10 – 1.30%
CET1 ²	9.9%	8.0 – 9.0%
NIM	2.94%	3.25 – 3.50%
NCO / Average Loans	0.05%	0.20 - 0.60%
Fee Income / Revenue	43%	40 - 50%
Efficiency Ratio	72%	60 - 65%

2017 Priorities

Utilizing Building Blocks to Move Toward Bonefish Targets



APPENDIX

Notable Items

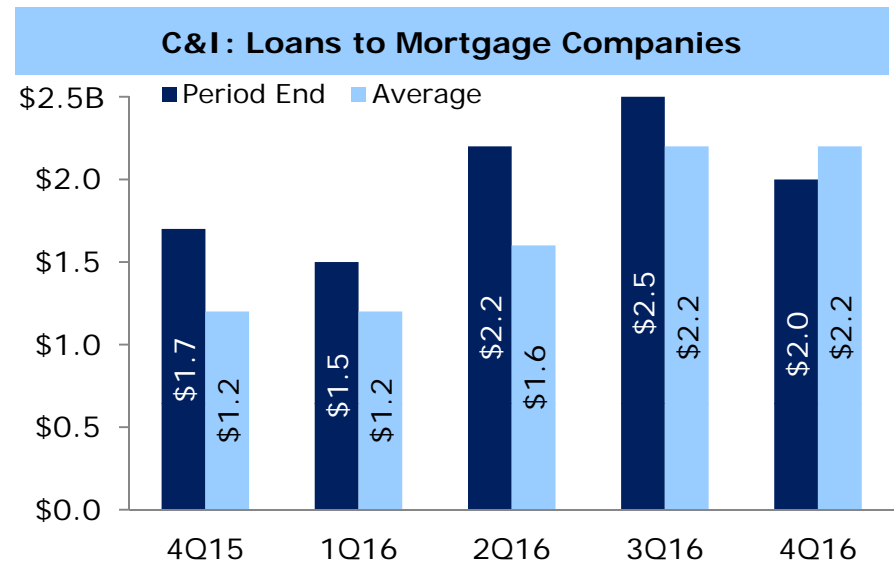
	2015	Pre-Tax Amount	2016	Pre-Tax Amount
1Q	Settlement with DOJ/HUD	\$(162.5)mm	Branch Impairment	\$(3.7)mm
	TrustAtlantic Acquisition Expenses	\$(0.6)mm		
2Q	TrustAtlantic Acquisition Expenses	\$(1.1)mm	Litigation Accrual ³	\$(26.0)mm
			Valuation Adjustment for Derivatives Related to Prior Sales of Visa Class B Shares	\$(2.5)mm
			Mortgage Repurchase Reserve Release	\$31.4mm
3Q	Retirement of Trust Preferred Debt	\$5.8mm	Gain Primarily Related to Recoveries Associated with Prior Mortgage Servicing Sales	\$4.4mm
	Employee Benefit Plan Amendment	\$8.3mm	Litigation Accrual ²	\$(4.5)mm
	Litigation Accrual ¹	\$(11.6)mm	Litigation Accrual Reversal ⁴	\$4.3mm
	TrustAtlantic Acquisition Expenses	\$(0.6)mm		
4Q	Litigation Accrual ²	\$(14.2)mm	Litigation Accrual ³	\$(4.7)mm
	Impairment Related to Tax Credit Investment	\$(2.8)mm		
	TrustAtlantic Acquisition Expenses	\$(2.7)mm		

4Q16 Credit Quality Summary by Portfolio

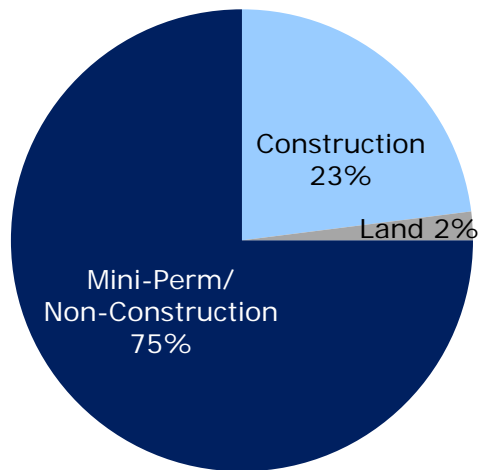
	Regional Banking					Corporate ⁵	Non-Strategic				FHNC Consol
(\$ in millions)	Commercial (C&I & Other)	CRE	HE & HELOC	Other ¹	Total	Permanent Mortgage	Commercial (C&I & Other)	HE & HELOC	Permanent Mortgage	Other ²	Total
Period End Loans	\$11,728	\$2,136	\$3,643	\$428	\$17,935	\$71	\$420	\$881	\$275	\$8	\$19,590
30+ Delinquency	0.08%	0.01%	0.49%	1.08%	0.18%	4.37%	-	2.76%	2.29%	1.73%	0.34%
Dollars	\$9	\$0	\$18	\$5	\$32	\$3	-	\$24	\$6	\$0	\$66
NPL ³ %	0.24%	0.13%	0.52%	0.09%	0.28%	1.66%	0.98%	7.26%	9.32%	1.82%	0.74%
Dollars	\$29	\$3	\$19	\$0	\$51	\$1	\$4	\$64	\$26	\$0	\$146
Net Charge-offs ⁴ %	NM	0.11%	-	2.79%	0.05%	NM	NM	NM	NM	NM	NM
Dollars	-\$2	\$1	\$0	\$3	\$2	NM	\$0	-\$2	\$0	\$0	-\$1
Allowance	\$88	\$34	\$19	\$13	\$154	NM	\$1	\$31	\$15	\$0	\$202
Allowance / Loans %	0.75%	1.59%	0.52%	3.09%	0.86%	NM	0.33%	3.56%	5.49%	2.26%	1.03%
Allowance / Charge-offs	NM	14.28x	NM	1.12x	19.30x	NM	NM	NM	NM	NM	NM

Select C&I and CRE Portfolio Metrics

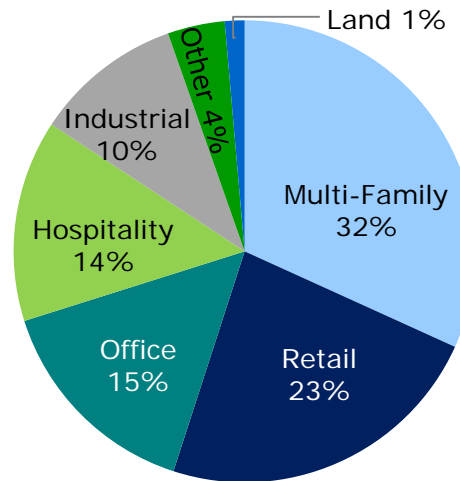
- \$12.1B C&I portfolio, diversified by industry
- \$2.1B CRE portfolio, diversified by geography and product type, comprising 11% of period-end consolidated loans
- Commercial (C&I and CRE) net recoveries of \$1.1mm for the quarter
 - Gross charge-offs were \$2.7mm with recoveries of \$3.8mm



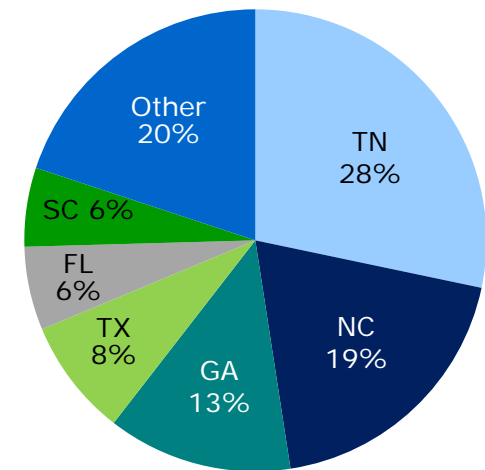
CRE: Loan Type



CRE: Collateral Type



CRE: Geographic Distribution

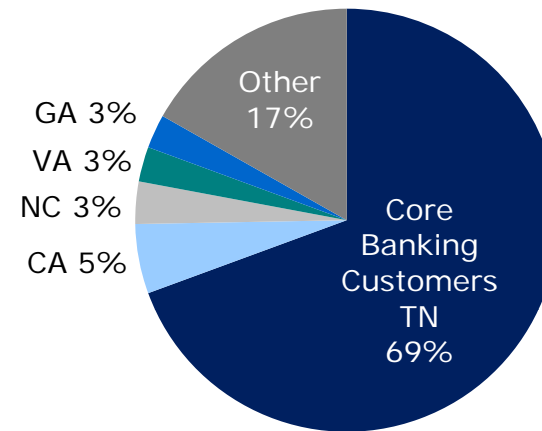


Consumer Portfolio Overview

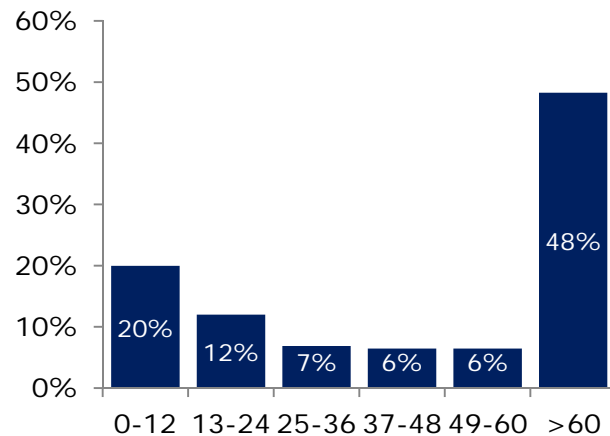
Home Equity Portfolio Characteristics

	First	Second	Total
Balance	\$3.2B	\$1.4B	\$4.5B
Original FICO	756	736	750
Refreshed FICO	756	726	747
Original CLTV	78%	81%	79%
Full Doc	96%	78%	90%
Owner Occupied	96%	94%	95%
HELOCs	\$0.6B	\$1.1B	\$1.7B
Weighted Average HELOC Utilization	44%	51%	49%

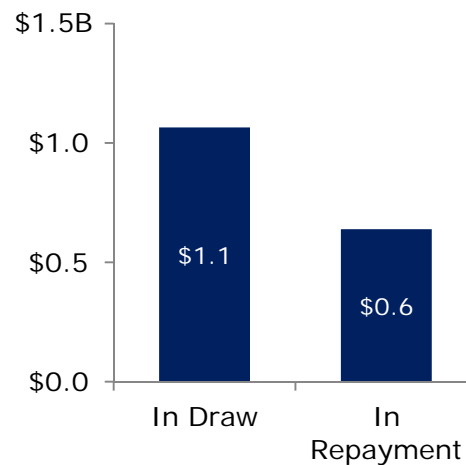
Home Equity Geographic Distribution



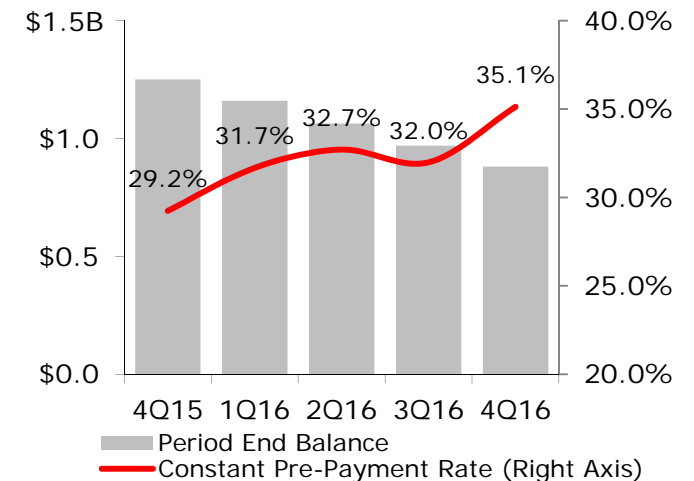
Percent of Home Equity Portfolio: Months Left in Draw Period



HELOC Draw vs Repayment Balances



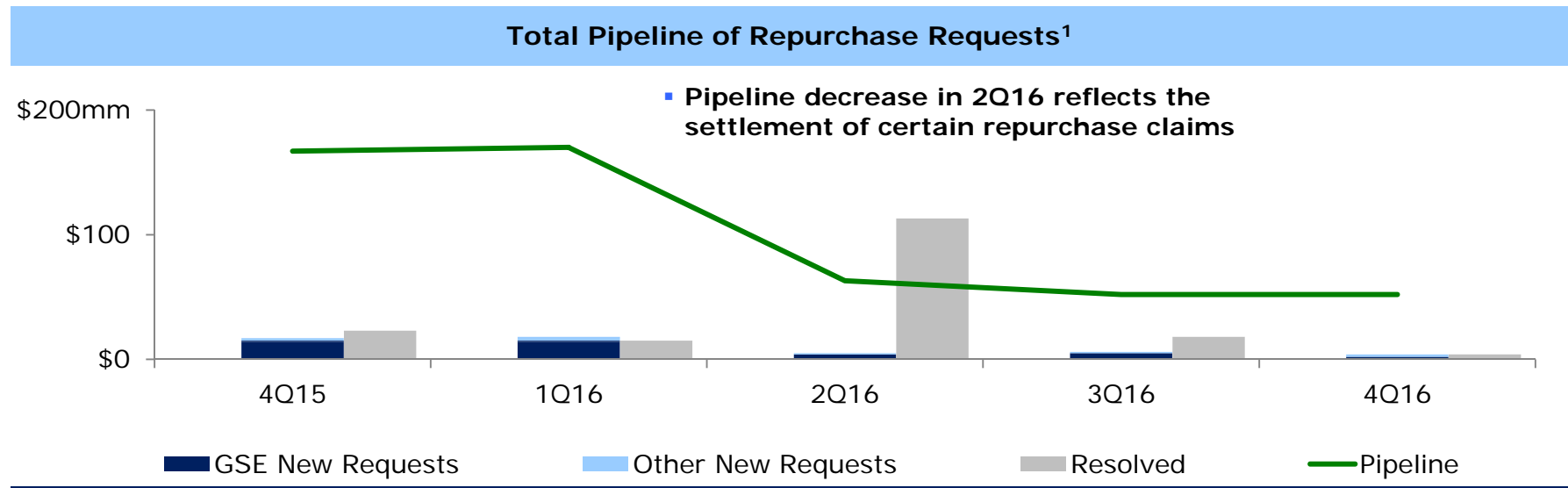
Non-Strategic Consumer Real Estate Run-Off



Agency & Non-Agency Update

Mortgage Repurchase Reserve						Other Whole Loan Sales and Non-Agency					
(\$ in millions)	4Q15	1Q16	2Q16	3Q16	4Q16	<ul style="list-style-type: none"> Represent 83% of all active repurchase/make whole requests in 4Q16 pipeline Some non-Agency FHN loans were bundled with other companies' loans and securitized by the purchasers <ul style="list-style-type: none"> Certain purchasers have requested indemnity related to FHN loans included in their securitizations 					
Beginning Balance	\$115	\$115	\$114	\$67	\$67						
Net Realized Losses	\$(0)	\$(1)	\$(16)	\$0	\$0						
Provision	\$0	\$0	\$(31)	\$(0)	\$(1)						
Ending Balance	\$115	\$114	\$67	\$67	\$66						

Numbers may not add to total due to rounding.



Reconciliation to GAAP Financials

Slides in this presentation use non-GAAP information of return on tangible common equity, adjusted noninterest expense, adjusted pre-provision net revenue and adjusted pre-tax income. That information is not presented according to generally accepted accounting principles (GAAP) and is reconciled to GAAP information below.

(\$ in millions)

			2016	2015			2016	2015
Return on Tangible Common Equity (ROTCE)								
Average Total Equity (GAAP)			\$2,691	\$2,581				
Less: Average Noncontrolling Interest (GAAP)			\$295	\$295				
Less: Preferred Stock (GAAP)			\$96	\$96				
Average Common Equity (GAAP) (a)			\$2,300	\$2,190				
Less: Average Intangible Assets (GAAP)			\$215	\$183				
Average Tangible Common Equity (Non-GAAP) (b)			\$2,086	\$2,007				
Net Income Available to Common (GAAP) (c)			\$221	\$80				
Return on Average Common Equity (ROE) (GAAP) (c/a)			9.6%	3.6%				
Return on Average Tangible Common Equity (ROTCE) (Non-GAAP) (c/b)			10.6%	4.0%				
Adjusted Regional Banking Noninterest Expense								
	4Q16	3Q16	4Q15	2016	2015	LQ	Change YOY	FY
Regional Banking Noninterest Expense (GAAP)	\$161	\$145	\$148	\$616	\$563	11%	9%	9%
Less: Notable Items (GAAP)	\$3	-\$4	\$0	\$24	-\$4			
Adjusted Regional Banking Noninterest Expense (Non-GAAP)	\$158	\$149	\$148	\$591	\$567	6%	7%	4%
Adjusted Regional Banking Pre-Provision Net Revenue (PPNR)								
Regional Banking Pre-Provision Net Revenue ¹ (PPNR)	\$103	\$111	\$85	\$375	\$344	-7%	22%	9%
Plus: Notable Items (GAAP)	\$3	-\$4	\$0	\$24	-\$4			
Adjusted Regional Banking Pre-Provision Net Revenue ¹ (PPNR)	\$106	\$106	\$85	\$399	\$340	*	25%	17%
Adjusted Regional Banking Pre-Tax Income								
Regional Banking Pre-Tax Income (GAAP)	\$99	\$102	\$79	\$336	\$310	-3%	25%	9%
Plus: Notable Items (GAAP)	\$3	-\$4	\$0	\$24	-\$4			
Adjusted Regional Banking Pre-Tax Income (Non-GAAP)	\$101	\$98	\$79	\$361	\$306	4%	28%	18%
Adjusted Consolidated Noninterest Expense								
Consolidated Noninterest Expense (GAAP)	\$238	\$234	\$244	\$925	\$1,054	2%	-2%	-12%
Less: Notable Items (GAAP)	\$5	\$0	\$20	\$6	\$188			
Adjusted Consolidated Noninterest Expense (Non-GAAP)	\$233	\$233	\$224	\$920	\$866	*	4%	6%

Reconciliation to GAAP Financials

Slides in this presentation use non-GAAP information of adjusted noninterest expense. That information is not presented according to generally accepted accounting principles (GAAP) and is reconciled to GAAP information below. Refer to slide 16 for additional details on notable items.

<i>(\$ in millions)</i>					
Adjusted Noninterest Expense	Regional Banking	Fixed Income	Corporate	Non-Strategic	Consolidated
2016					
Noninterest Expense (GAAP)	\$616	\$230	\$59	\$21	\$925
Less: Litigation Accruals (GAAP)	\$20	\$0	\$0	\$10	\$31
Less: Branch Impairment (GAAP)	\$4	\$0	\$0	\$0	\$4
Less: Derivatives Valuation Adjustment (GAAP)	\$0	\$0	\$3	\$0	\$3
Less: Mortgage Repurchase Reserve Release (GAAP)	\$0	\$0	\$0	-\$31	-\$31
Adjusted Noninterest Expense (Non-GAAP)	\$591	\$230	\$56	\$42	\$920
2015					
Noninterest Expense (GAAP)	\$563	\$220	\$58	\$213	\$1,054
Less: Litigation Accruals (GAAP)	\$0	\$12	\$0	\$177	\$188
Less: Acquisition Expense (GAAP)	\$0	\$0	\$5	\$0	\$5
Less: Employee Benefit Plan Amendment (GAAP)	-\$4	-\$1	-\$3	\$0	-\$8
Less: Tax Credit Investment Impairment (GAAP)	\$0	\$0	\$3	\$0	\$3
Adjusted Noninterest Expense (Non-GAAP)	\$567	\$210	\$53	\$36	\$866