



First Horizon National Corporation

Morgan Stanley Financial Services Conference

June 13, 2017

Disclaimer

Forward-Looking Statements

This communication contains certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to our beliefs, plans, goals, expectations, and estimates. Forward-looking statements are not a representation of historical information, but instead pertain to future operations, strategies, financial results or other developments. The words “believe,” “expect,” “anticipate,” “intend,” “estimate,” “should,” “is likely,” “will,” “going forward,” and other expressions that indicate future events and trends identify forward-looking statements.

Forward-looking statements are necessarily based upon estimates and assumptions that are inherently subject to significant business, operational, economic and competitive uncertainties and contingencies, many of which are beyond the control of First Horizon and Capital Bank, which announced a proposed transaction on May 4, 2017, and many of which, with respect to future business decisions and actions, are subject to change. Examples of uncertainties and contingencies include, among other important factors: global, general, and local economic and business conditions, including economic recession or depression; expectations of and actual timing and amount of interest rate movements, including the slope and shape of the yield curve, which can have a significant impact on a financial services institution; market and monetary fluctuations, including fluctuations in mortgage markets; inflation or deflation; customer, investor, competitor, regulatory, and legislative responses to any or all of these conditions; demand for First Horizon’s and Capital Bank’s product offerings; the actions of the Securities and Exchange Commission (SEC), the Financial Accounting Standards Board (FASB), the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (Federal Reserve), the Federal Deposit Insurance Corporation (FDIC), the Financial Industry Regulatory Authority (FINRA), the U.S. Department of the Treasury (Treasury), the Municipal Securities Rulemaking Board (MSRB), the Consumer Financial Protection Bureau (CFPB), the Financial Stability Oversight Council (Council), the Public Company Accounting Oversight Board (PCAOB), and other regulators and agencies, including in connection with the regulatory approval process associated with the merger; pending, threatened, or possible future regulatory, administrative, and judicial outcomes, actions, and proceedings; current or future Executive orders; changes in laws and regulations applicable to First Horizon and Capital Bank; the possibility that the proposed transaction will not close when expected or at all because required regulatory, shareholder or other approvals are not received or other conditions to the closing are not satisfied on a timely basis or at all; the possibility that the anticipated benefits of the transaction will not be realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy and competitive factors in the areas where First Horizon and Capital Bank do business; the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events; diversion of management’s attention from ongoing business operations and opportunities; potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the transaction; First Horizon’s and Capital Bank’s success in executing their respective business plans and strategies and managing the risks involved in the foregoing; and other factors that may affect future results of First Horizon and Capital Bank.

Additional factors that could cause results to differ materially from those contemplated by forward-looking statements can be found in First Horizon’s Annual Report on Form 10-K for the year ended December 31, 2016, and in its subsequent Quarterly Reports on Form 10-Q filed with the SEC and available in the “Investor Relations” section of First Horizon’s website, <http://www.firsthorizon.com>, under the heading “SEC Filings” and in other documents First Horizon files with the SEC, and in Capital Bank’s Annual Report on Form 10-K for the year ended December 31, 2016 and in its subsequent Quarterly Reports on Form 10-Q, including for the quarter ended March 31, 2017, filed with the SEC and available in the “Investor Relations” section of Capital Bank’s website, www.CapitalBank-US.com, under the heading “Financials & Filings” and in other documents Capital Bank files with the SEC.

Important Other Information

In connection with the proposed transaction, First Horizon will file with the SEC a Registration Statement on Form S-4 that will include a Joint Proxy Statement of First Horizon and Capital Bank and a Prospectus of First Horizon, as well as other relevant documents concerning the proposed transaction. The proposed transaction involving First Horizon and Capital Bank will be submitted to First Horizon’s shareholders and Capital Bank’s stockholders for their consideration. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. SHAREHOLDERS OF FIRST HORIZON AND CAPITAL BANK ARE URGED TO READ THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE TRANSACTION WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Shareholders will be able to obtain a free copy of the definitive joint proxy statement/prospectus, as well as other filings containing information about First Horizon and Capital Bank, without charge, at the SEC’s website (<http://www.sec.gov>). Copies of the joint proxy statement/prospectus and the filings with the SEC that will be incorporated by reference in the joint proxy statement/prospectus can also be obtained, without charge, by directing a request to Clyde A Billings, Jr., First Horizon National Corporation, 165 Madison, 8th Floor, Memphis, TN 38103, telephone 901.523.5679, or Capital Bank Financial Corp., Attention: Secretary, 4725 Piedmont Row Drive, Suite 110, Charlotte, NC 28210.

Participants in the Solicitation

First Horizon, Capital Bank, and certain of their respective directors, executive officers and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding First Horizon’s directors and executive officers is available in its definitive proxy statement, which was filed with the SEC on March 13, 2017, and certain of its Current Reports on Form 8-K. Information regarding Capital Bank’s directors and executive officers is available in its definitive proxy statement, which was filed with SEC on April 28, 2017, and certain of its Current Reports on Form 8-K. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials filed with the SEC. Free copies of this document, when it becomes available, may be obtained as described in the preceding paragraph.

Successfully Executing on Key Priorities

FHN Is Well Positioned For Attractive Long-Term Earnings Power

- Expanding banking relationships with emphasis on economic profit
- Continued balance sheet growth momentum
- Focused on ongoing expense discipline
- Optimizing use of capital deployment
- Work underway for successful merger integration with Capital Bank

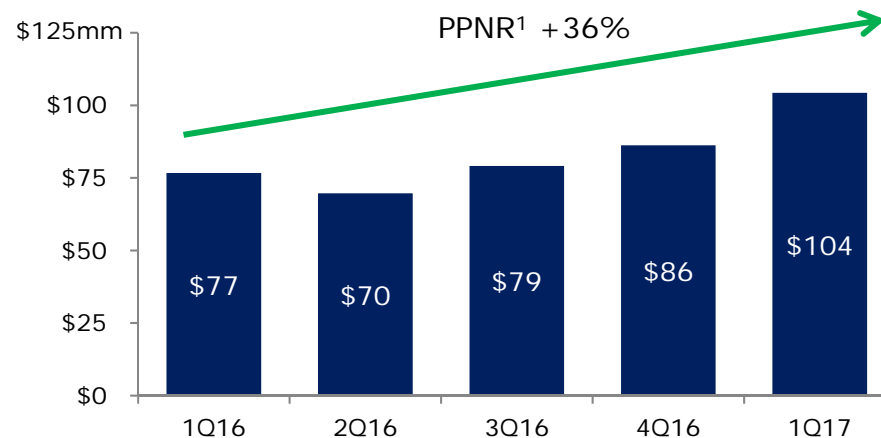
Building the Foundation for Attractive Long-Term Earnings Power

Regional Banking Performance Remains Strong

PPNR Up 36% Year-Over-Year, Balance Sheet Momentum Solid

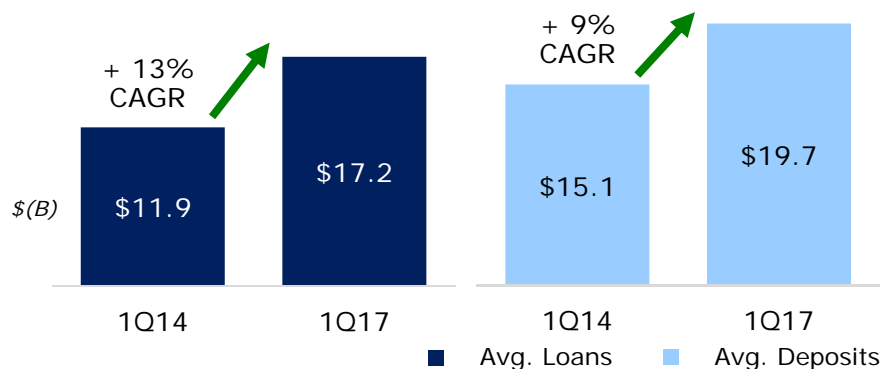
- Strong PPNR driven by NII growth on solid loan and deposit momentum
 - NII and PPNR up 31% and 36% YOY, respectively
- Steady deposit gathering maintains attractive core relationship funding mix
- Portfolio mix comfortably within exposure limits providing flexibility for future growth and opportunities to increase market share
- Credit quality a continued strength

Strong YOY PPNR Improvement

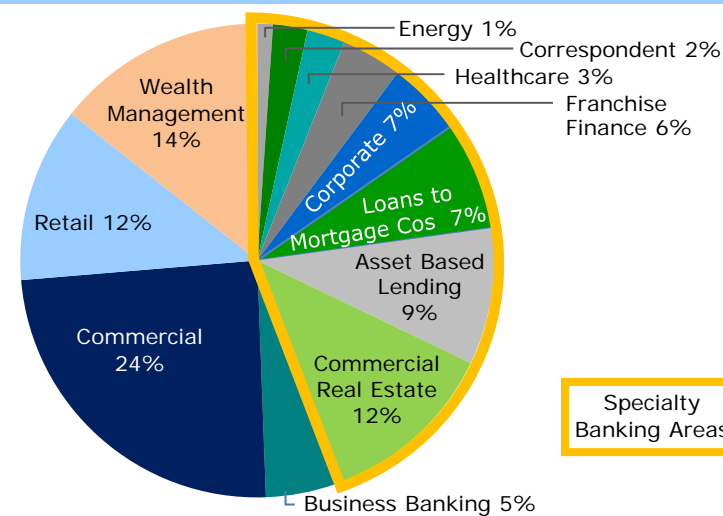


Loan and Deposit Growth Outpaces Peers

- Regional Bank loans and deposits are up 13% and 9% annually since 1Q14 vs Peer median² of 9% and 8%



1Q17 Regional Banking Loan Portfolio Mix

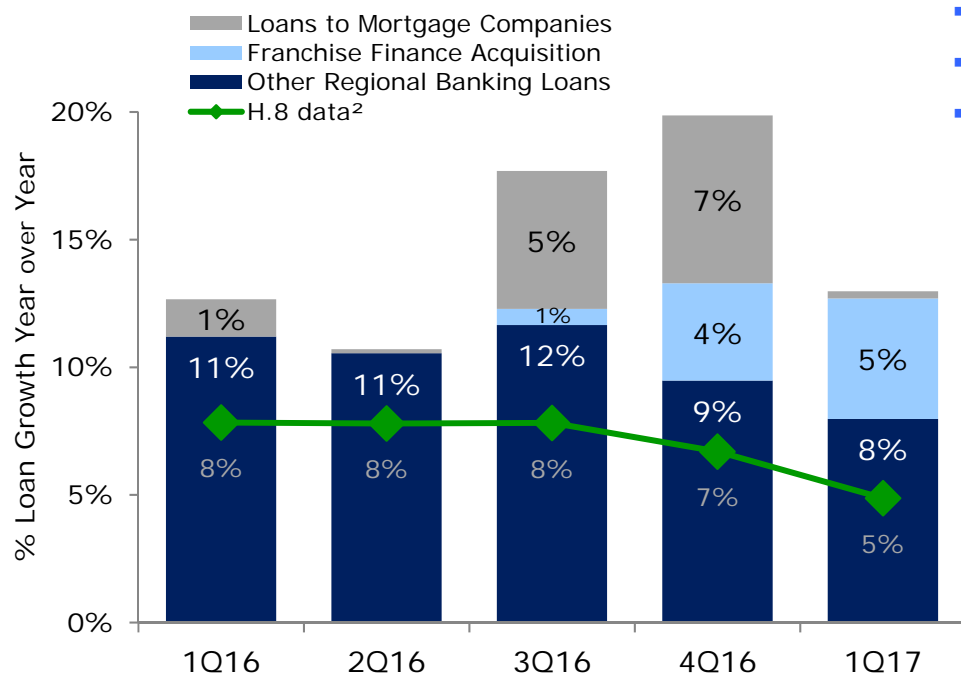


Loan Growth Momentum Continues

Regional Banking Growth Outpacing Industry

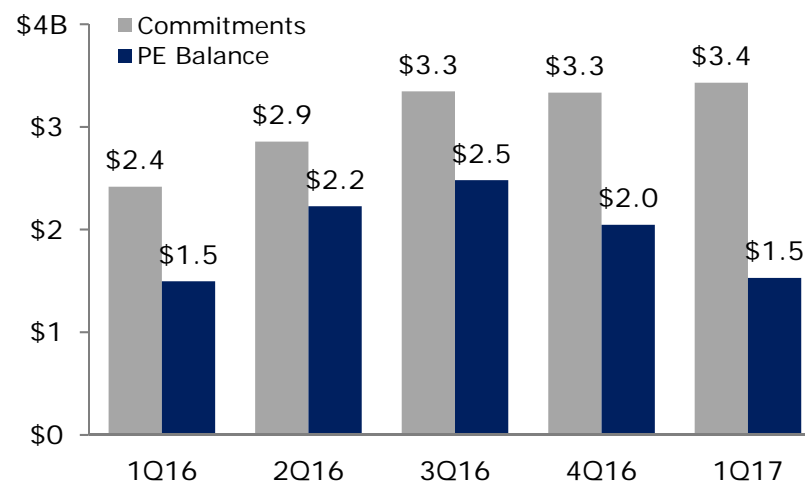
- Regional bank loan growth outpacing industry, driven by specialty banking areas and growth markets
 - Loans to Mortgage Companies' balances fluctuate with mortgage rates and seasonality
 - Acquired ~\$540mm Franchise Finance portfolio in 3Q16
 - Commercially-oriented loan portfolio
- Average Regional Banking YOY loan growth of 15% since 1Q16
 - Excluding acquired Franchise Finance loans and Loans to Mortgage Companies, average loan growth of 10%¹

Regional Banking Average Loan Growth Driven Compares Favorably to Industry Data



Loans to Mortgage Companies Volumes Remain Strong As Dwell Times Shorten³

- Number of customers up 23%
- Fundings increased 23%, commitments up 44%
- Dwell times down 19% from ~20 days to ~16 days

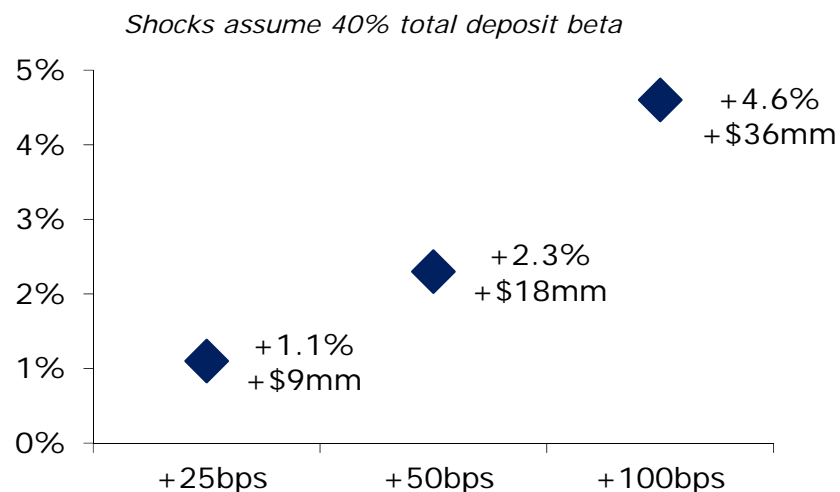


Asset Sensitivity Remains Intact

Floating Rate Loans, Solid Core Funding Base Provides Attractive Benefits

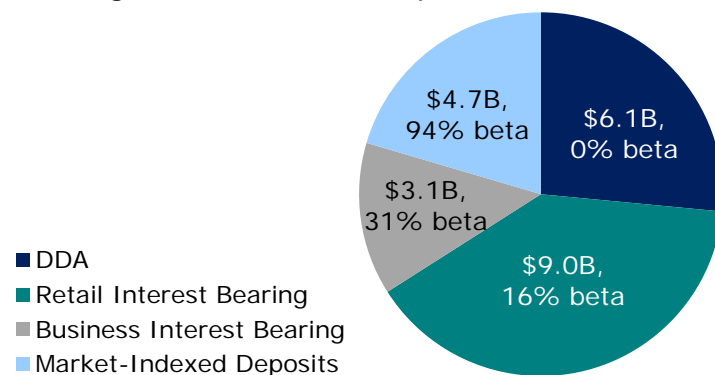
- Loan portfolio comprised of 67% floating rate loans
- Total deposit beta assumption of 40% through rising rate cycle
 - Includes DDA and interest-bearing deposits
- Market-indexed deposits have driven deposit beta increase
 - Used to fund asset-oriented businesses such as Non-Strategic loans, FTN Financial inventory and fluctuations in balances in Loans to Mortgage Companies
 - Market-indexed deposit funding rates are more attractive than credit-sensitive wholesale borrowing options

Net Interest Income Sensitivity Impact¹



Total Deposit Beta Overview²

- Core relationship deposit betas remain low
- Total weighted-average deposit beta of 15% excluding market-indexed deposits

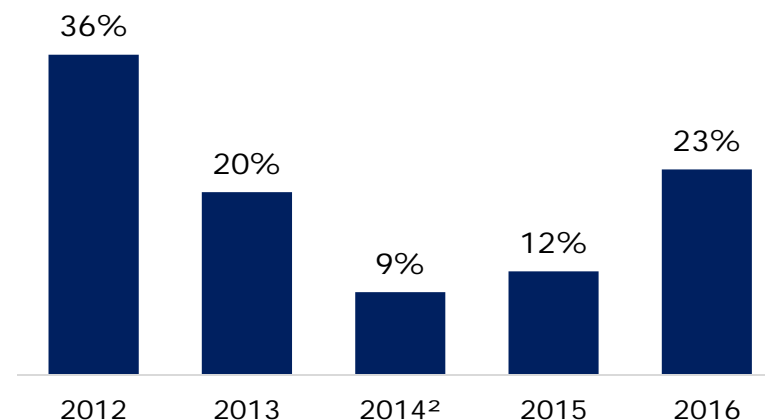


FTN Financial Focused on Capturing Market Opportunities

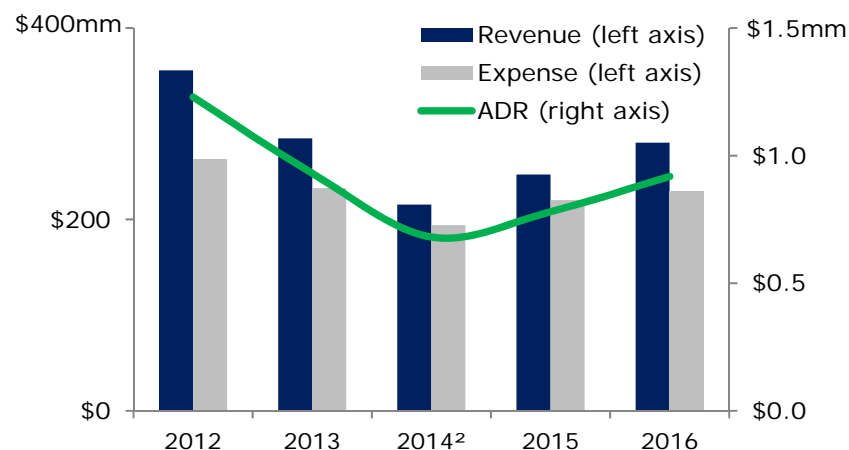
Continued Strong Returns Despite Soft Market Conditions

- Unique fixed income business model focused on sales and distribution
- Delivers consistently strong return on capital and provides counter-cyclicality to Regional Banking segment
- Business model adaptable to shifting market conditions due to highly variable expense structure
- Successfully closed and integrated Coastal Securities acquisition, substantially expanding government guaranteed loan (“GGL”) products – highly complementary business with great strategic fit over the long term

Fixed Income Return on Equity¹



Fixed Income Revenue and Expense



Fixed Income Average Daily Revenue Key Drivers

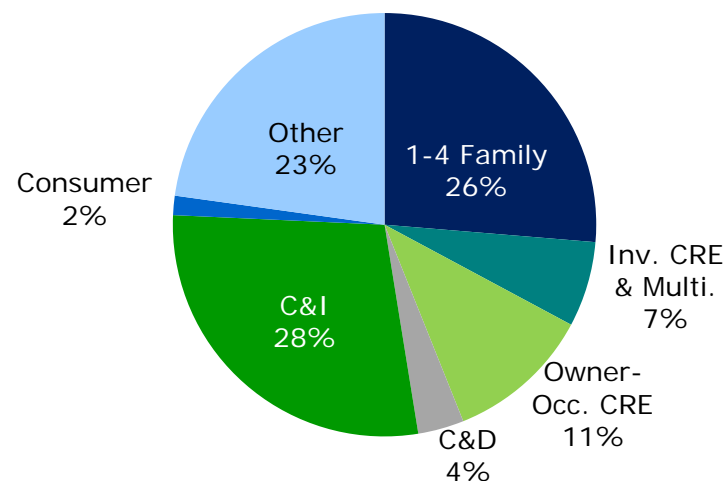
Lower Revenue	Factor	Higher Revenue
Up	Direction of rates	Down
Low	Market volatility	Moderate
Flat	Shape of yield curve	Steep
Positive	State of economy and outlook	Negative
Less Certain	Expected future market environment	More Certain

Stable Asset Quality Enhanced by Diversified Loan Portfolio

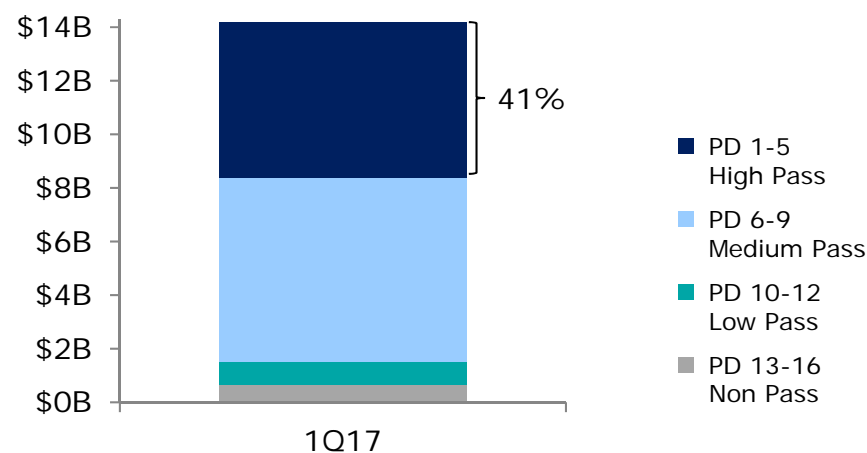
High Quality Commercial Credit Portfolio, > 40% investment grade

- Healthy, diversified, commercially-oriented loan portfolio
- Low charge-offs with net recoveries the past two quarters
- Allowance steady, with adequate coverage
- Focused on making economically profitable loans with prudent credit underwriting and disciplined pricing

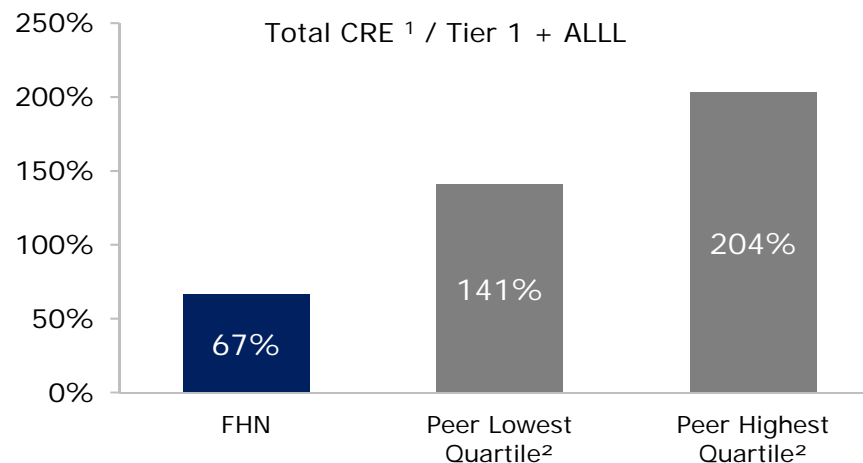
1Q17 Loan Composition



1Q17 Credit Grading Overview



CRE Concentrations Lower than Industry, Allows for Selective Profitable Growth



Capital Bank Acquisition

Creates Strong Regional Bank with Unique Value Proposition

Consistent with Our M&A Goals

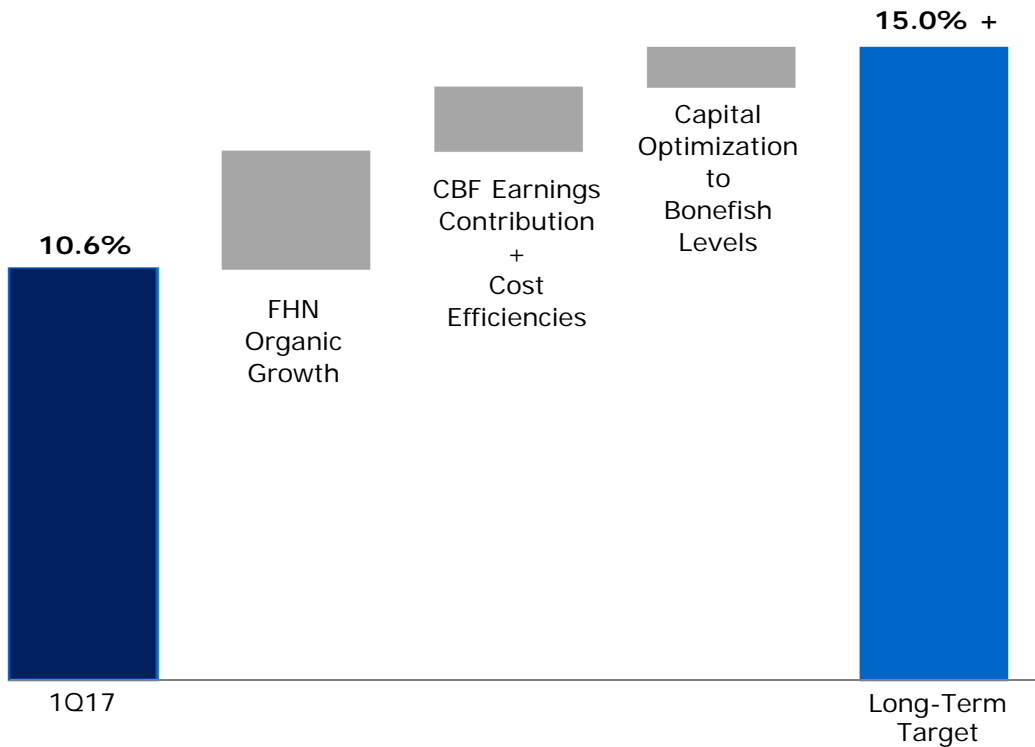
Transaction Highlights		Acceleration of Bonefish Targets		
		First Horizon Actual 2016	First Horizon Long-Term Targets	Commentary
Accelerates Bonefish	<ul style="list-style-type: none"> Multiyear acceleration in achieving Bonefish targets Attractive return on capital deployed versus alternatives 	ROTCE	10.6%	15.0%+ ✓ Enhances profitability & leverages excess capital
Attractive Markets	<ul style="list-style-type: none"> Further strengthens footprint in Southeast markets that are wealthier and faster growing 	ROA	0.9%	1.1–1.3% ✓ Improves core profitability and efficiency
Unique Value Proposition	<ul style="list-style-type: none"> Big bank capabilities with a community bank look and feel Adds scale (~\$40B pro-forma assets) and enhances competitive position Leverages existing infrastructure 	CET1	9.9%	8.0–9.0% ✓ Utilizes ~100bps of excess capital
Strengthens Business Mix	<ul style="list-style-type: none"> 60%+ commercial loans 94% core deposit funding ⁽¹⁾ 	NIM	2.94%	3.25–3.50% ✓ Improves net interest margins
Shared Upside	<ul style="list-style-type: none"> Low premium to long-term relative valuations Remained disciplined on pricing 	Fee Income / Revenue	43%	New Target: 30-40% ⁽²⁾ Changing Bonefish Target to reflect new business mix Opportunity to improve Capital Bank's 15% fee income ratio
Risk Mitigants	<ul style="list-style-type: none"> Extensive diligence, clean credit, cost savings modeled and revenue synergies identified 	Efficiency Ratio	72%	60–65% ✓ Catalyst for significant efficiency improvement

Capital Bank Acquisition

Positions FHN to Achieve Long-Term Bonefish Targets

Targeting 15%+ ROTCE

Return Drivers



- FHN continued focus on balance sheet growth, operating leverage and capturing asset sensitivity
- Maintaining Capital Bank momentum and realizing merger cost efficiencies
 - Fully-phased in cost saves expected to improve efficiency ratio 700 bps to below 65%
- Revenue enhancements not included, but provide potential additional upside

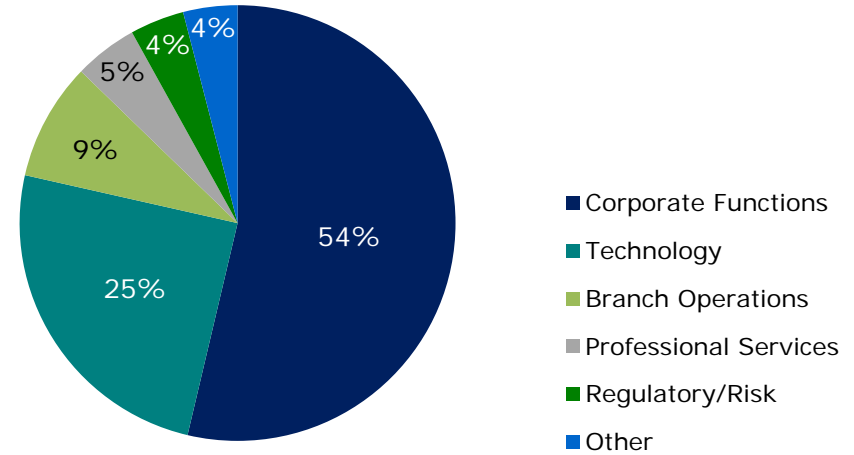
Capital Bank Acquisition

Significant Upside Opportunities

Anticipated Cost-Savings of \$65mm+

- ~6% combined cost saves represents ~30% of CBF expense base
- Leverages existing FHN infrastructure capacity
- Branch optimization opportunities
 - ~20% of branches within 2-mile radius
 - First Tennessee averages ~\$125mm deposits per branch vs Capital Bank average of ~\$40mm

Anticipated Cost-Savings Breakdown

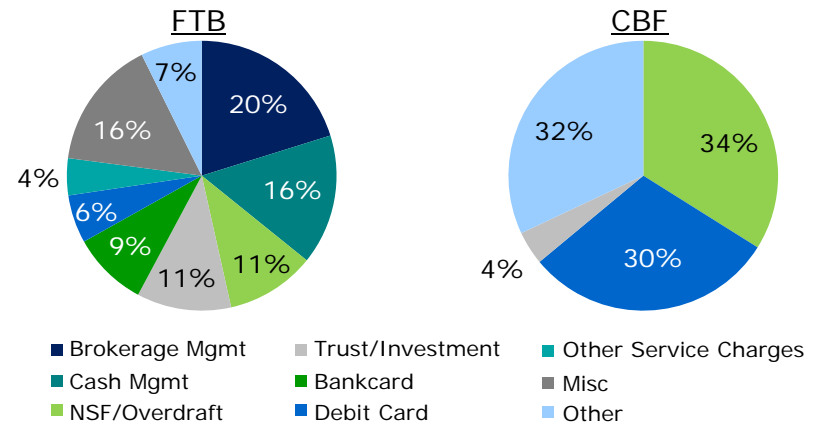


Additional Revenue Opportunities

- Increased balance sheet capacity for combined First Tennessee and Capital Bank customer base
- Expanded fee product set for Capital Bank customers
 - Wealth management products
 - Treasury management opportunities

Fee Income Expansion Potential

- FTB Fee Income % of 23% in 1Q17 vs 16% for CBF



Capital Bank Acquisition Integration Update

Employee Engagement

- Joint senior leadership team held 9 town hall meetings within 14 days of announcement; met with ~800 CBF employees
- Will be conducting culture survey to optimally build combined culture

Integration Progress

- Executing against comprehensive pre-merger integration plan
- Cross-company integration team with established leads in all functional areas
- Leveraging success of 13 combined prior acquisitions
- Added \$15mm to existing community outreach fund

Anticipated Integration Timeline



- Regulatory application
- S-4



- Shareholder meeting
- Anticipated deal closing in 4Q17



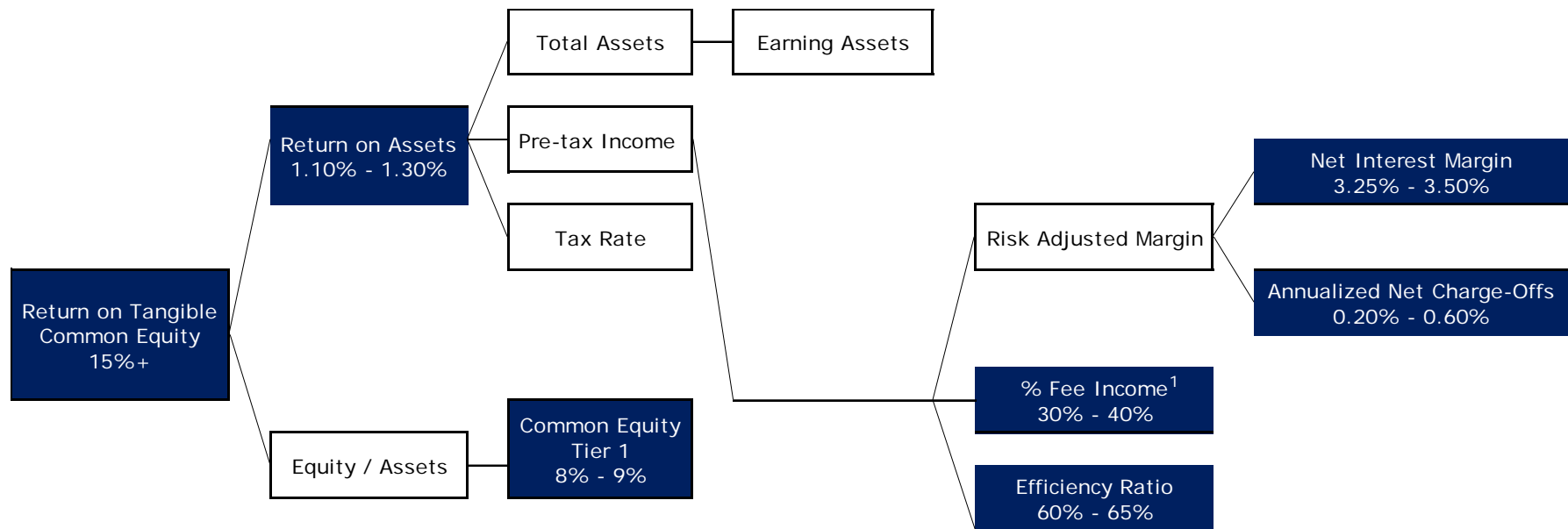
- Branding
- Conversion to FHN system



- Fully-phased in cost saves

APPENDIX

Building Long-Term Earnings Power: Bonefish Targets



Reconciliation to GAAP Financials

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

(\$ in millions)

Return on Tangible Common Equity (ROTCE)	1Q17
Average Total Equity (GAAP)	\$2,723
Less: Average Noncontrolling Interest (GAAP)	\$295
Less: Preferred Stock (GAAP)	\$96
Average Common Equity (GAAP) (a)	\$2,332
Less: Average Intangible Assets (GAAP)	\$212
Average Tangible Common Equity (Non-GAAP) (b)	\$2,120
Annualized Net Income Available to Common (GAAP) (c)	\$219
Return on Average Common Equity (ROE) (GAAP) (c/a)	9.4%
Return on Average Tangible Common Equity (ROTCE) (Non-GAAP) (c/b)	10.3%
Adjusted Fixed Income Noninterest Expense	2014
Fixed Income Noninterest Expense (GAAP)	\$147
Insurance Recovery (GAAP)	(\$47)
Adjusted Fixed Income Noninterest Expense (Non-GAAP)	\$194
Adjusted Fixed Income Return on Equity	2014
Fixed Income Net Income (GAAP) (a)	\$43
Less: Tax-Adjusted Insurance Recovery ¹ (GAAP)	\$29
Adjusted Fixed Income Net Income (Non-GAAP) (b)	\$14
Fixed Income Equity ² (GAAP) (c)	\$152
Fixed Income Return on Equity (GAAP) (a/c)	28%
Adjusted Fixed Income Return on Equity (Non-GAAP) (b/c)	9%

Peer group includes ASB, BOH, BOKF, BXS, CBSH, CFR, FCNCA, FULT, HBHC, IBKC, ONB, PB, SNV, TCBI, TCF, TRMK, UBSI, UMBF, UMPQ, VLY, WBS, WTFC.