



First Horizon National Corporation

Second Quarter 2018 Analyst Packet

May 14, 2018

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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.*

First Horizon – A Compelling Southeastern Bank Franchise

Strong Customer Base, Solid Market Position and Unique Business Strategy

Size and Scope

- Total Assets: \$40B
- Total Loans: \$27B
- Total Deposits: \$31B
- Market Cap: \$6.2B

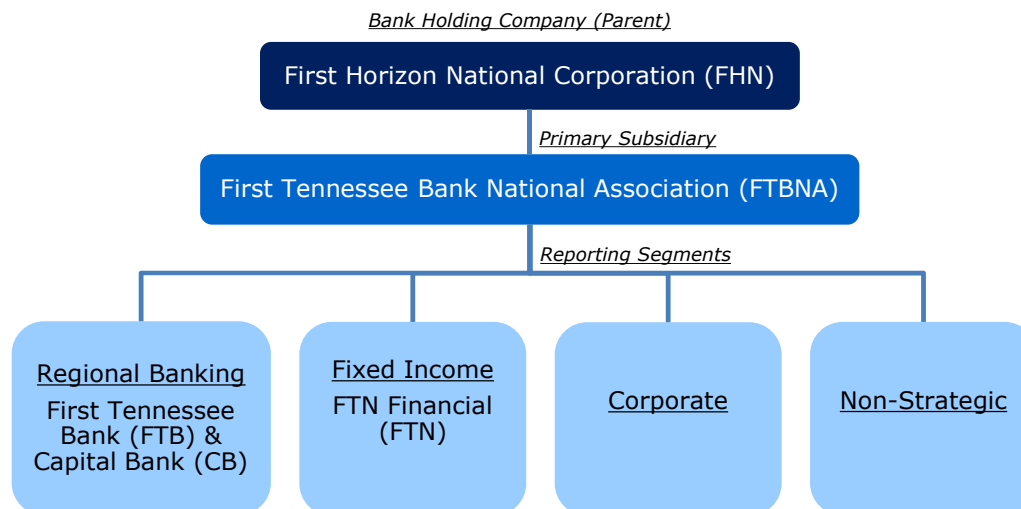
Solid Market Position

- 4th largest regional bank in the Southeast
- Over 800k customers
- #1 deposit market share in TN
- FTN Financial serves over 4,500 clients across all 50 states

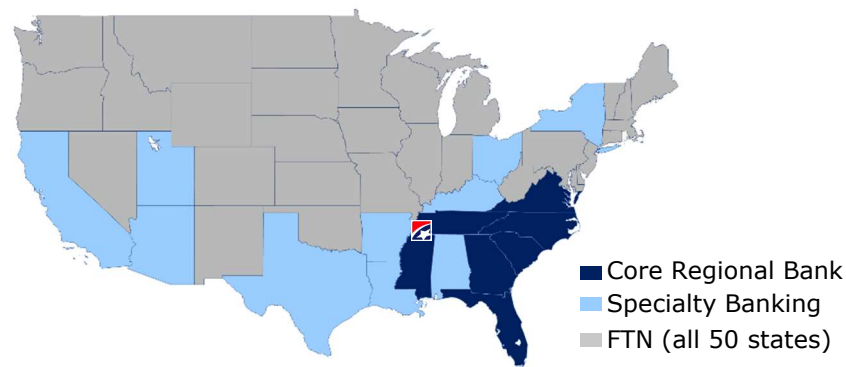
Differentiated Business Strategy

- Expanding banking relationships with emphasis on Economic Profit
- Staying core funded and disciplined in deposit pricing

Corporate Structure Reflects Strategic Focus



FHN is a Strong and Diversified Bank Holding Company



Successfully Executing on Key Priorities

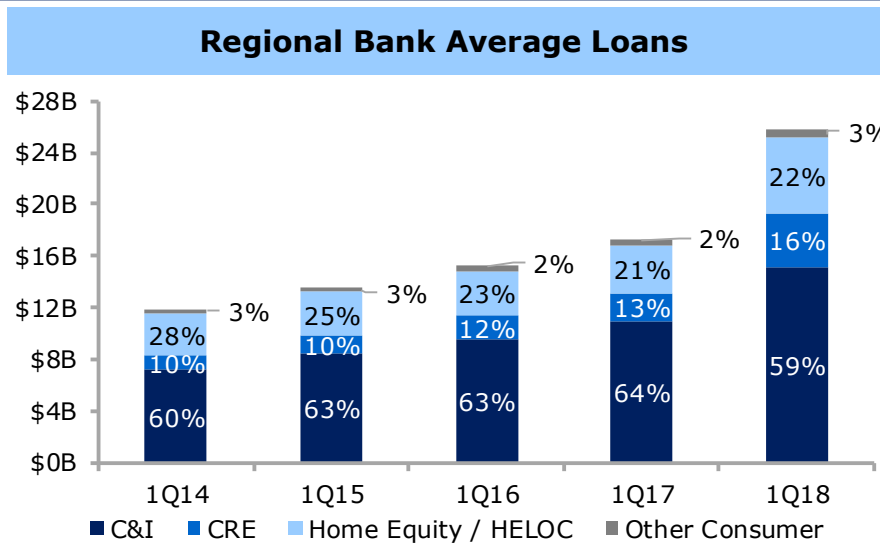
FHN Is Well Positioned For Attractive Long-Term Earnings Power

- Continue strong business momentum
- Grow balance sheet profitably and prudently
- Expand banking relationships with emphasis on economic profit
- Focus on successful merger integration to build earnings power
- Consistently deliver top quartile returns over the long-term

Building the Foundation for Sustainable Earnings Power

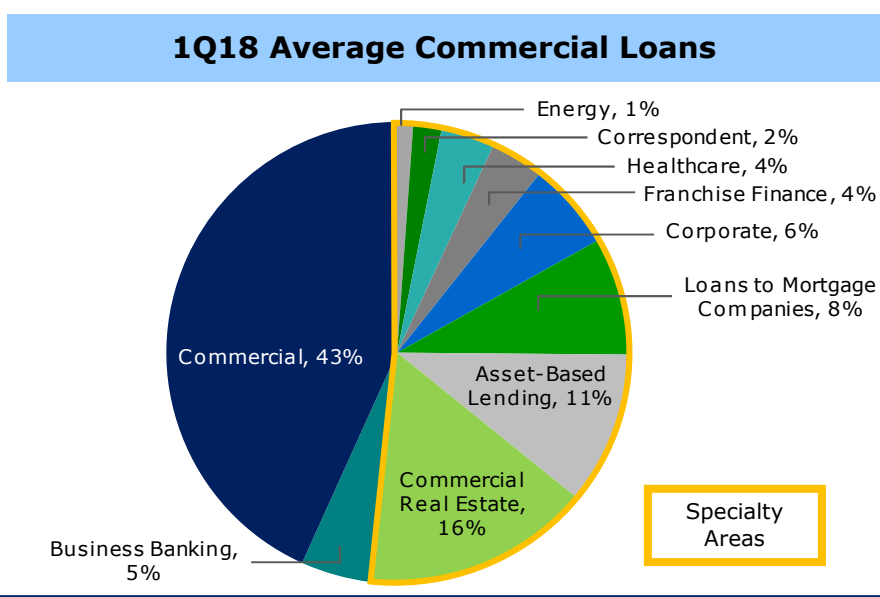
Diversified Regional Banking Loan Portfolio

- Robust growth in average loans driven by focus on high quality commercial and specialty lending areas
- Loan portfolio geographically diverse
 - A majority of specialty banking relationships are outside Tennessee
 - Commercial, Private Client, and Consumer Retail are primarily Tennessee-based
- Strong underwriting discipline and extensive use of RAROC model



Geographic Dispersion of Loans by Lending Area

Lending Area	Inside Footprint ¹	Outside Footprint ¹
Business Banking	97%	3%
Commercial	95%	5%
Consumer Retail	95%	5%
Private Client	90%	10%
Asset-Based Lending	84%	16%
Healthcare	84%	16%
Commercial Real Estate	83%	17%
Energy	70%	30%
Correspondent	67%	33%
Franchise Finance	66%	34%
Corporate	57%	43%
Loans to Mortgage Companies	26%	74%
Total Regional Banking	85%	15%



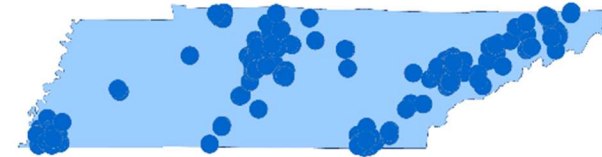
¹Footprint includes AL, AR, FL, GA, KY, MO, MS, NC, SC, TN, TX, and VA. Numbers may not add to total due to rounding.

Strong Core Deposit Franchise With Growth Opportunities

#1 Market Share in TN and Platforms for Growth in Attractive Markets

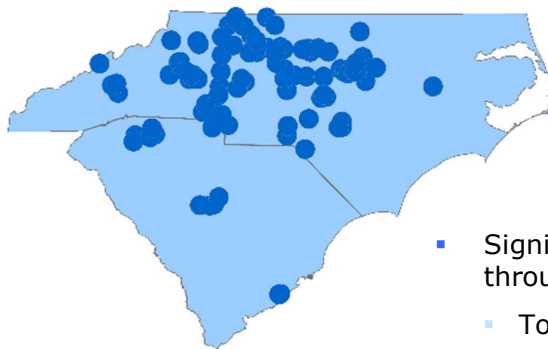
- Low-cost funding mix from core deposit base
- #1 market share ranking in Tennessee
- Strong platform for deposit growth in the Carolinas
- South Florida deposit base provides meaningful funding opportunities

Continued Success in Tennessee



- Total Deposits: \$22.9
- Major MSA Rankings:
 - Memphis MSA Rank: 1st
 - Chattanooga MSA Rank: 1st
 - Knoxville MSA Rank: 1st
 - Nashville MSA Rank: 5th

Development of the Franchise in the Carolinas



- Significant footprint throughout the Carolinas
 - Total Deposits: \$5.4B
 - Market Share Rank: 10th

Meaningful Opportunities for Growth in Florida

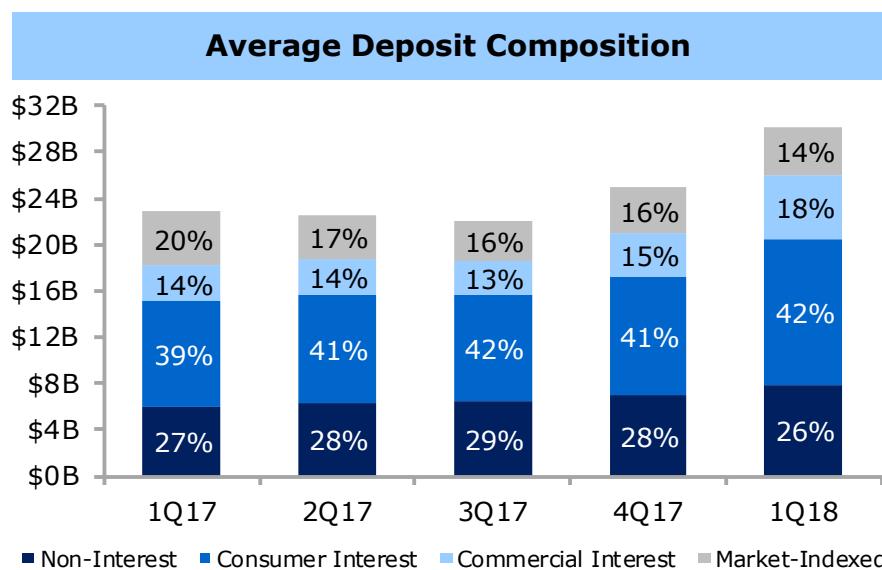


- Expansion into the Florida market via the Capital Bank acquisition
- Branches mainly in the Florida Keys, Miami, Naples, and Ft. Meyers/Cape Coral
 - Total Deposits: \$1.7B
 - Market Share Rank: 36th

Strong Deposit Franchise

Focused on Opportunities for Growth and Mix Improvement

- Overall deposit beta¹ since 3Q15 is 27%
 - 15% excluding market-indexed deposits
- Emphasis on relationship pricing, treasury services, and deposit gathering in select markets



Total Average Deposit Rate Overview

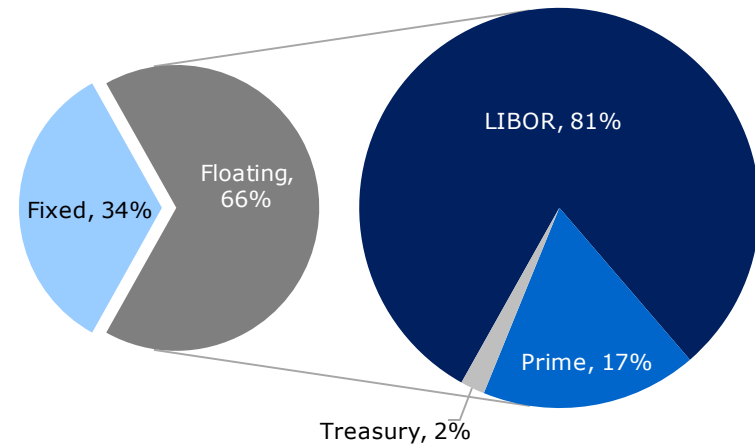
	Rate Paid		
	3Q15	4Q17	1Q18
Non-Interest	-	-	-
Consumer Interest	0.14%	0.19%	0.24%
Commercial Interest	0.25%	0.78%	0.89%
Market-Indexed	0.20%	1.23%	1.47%
Total Deposits	0.12%	0.39%	0.47%

Asset Sensitivity Overview

Benefiting From Sustained Loan Growth and Higher Short-Term Rates

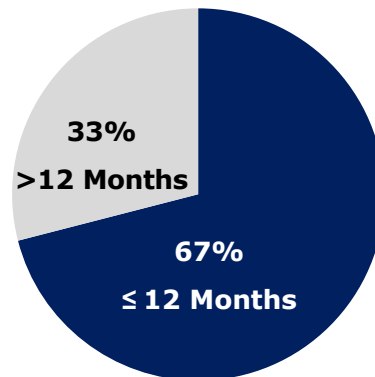
- Loan portfolio comprised of 66% floating adjustable rate loans¹
 - ~81% are tied to LIBOR
 - ~17% are tied to Prime
 - ~2% are tied to US Treasuries
- Securities portfolio comprises 12% of total assets with an estimated effective duration of 4.5 years
- Strong DDA mix with emphasis on core deposit gathering

1Q18 Loan Composition: Fixed vs Floating

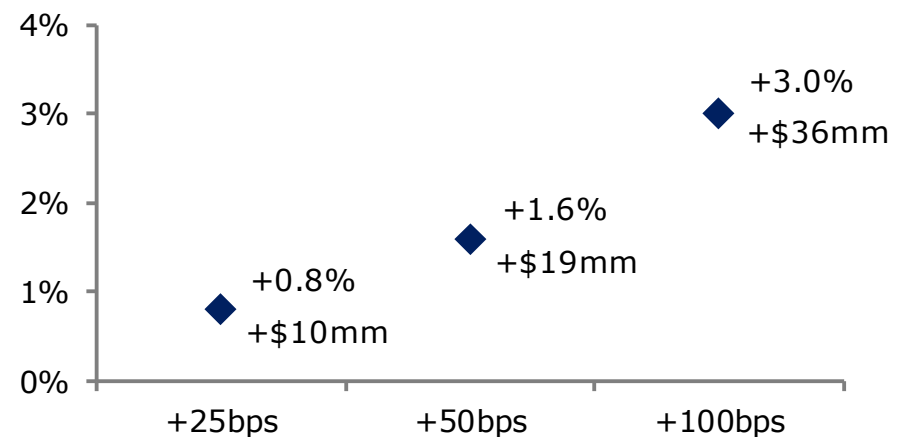


Asset Repricing Profile Levered to Short-Term Rate Increases

- Floating rate assets re-price at 100% beta
- Liabilities more closely managed
- +\$4.9B short-term re-pricing gap



Net Interest Income Sensitivity Impact²

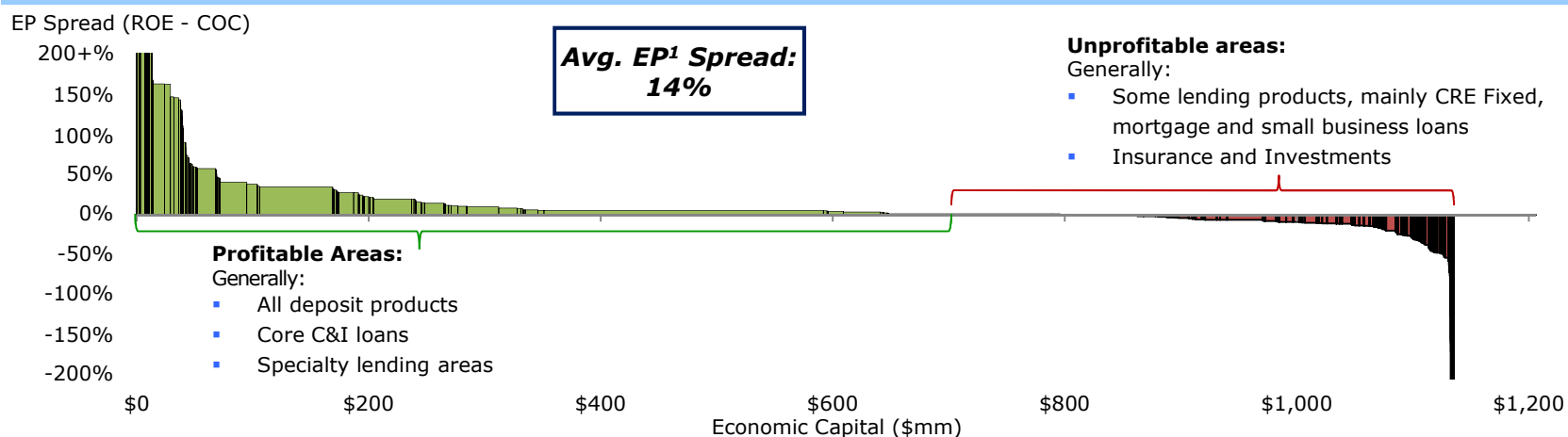


Economic Profit Focus

Delivering Tangible Results with Improved Returns

	Front-line/ Field			Management/Executive
	RAROC Pricing Tool	Relationship Profitability Reports	Product Profitability Reports	Bonfish/ Financial Reports
Primary Audience	<ul style="list-style-type: none"> Relationship Managers Product Managers Expanded to All Commercial Lines of Business 	<ul style="list-style-type: none"> Sales Managers Market Managers Lending Area Managers 	<ul style="list-style-type: none"> Product Managers Lending Area Managers 	<ul style="list-style-type: none"> Lending Area Managers Product Managers Executive Management
Uses	<ul style="list-style-type: none"> Transaction level Forward-looking view Valuation of potential asset purchases 	<ul style="list-style-type: none"> Sales management level RM/ Lending Area/ Market portfolio view Identifying opportunities to improve profitability 	<ul style="list-style-type: none"> Portfolio level Product features, positioning, cost, etc. Identifying opportunities to improve profitability 	<ul style="list-style-type: none"> Senior Business Owner level Performance management Holistic view

Economic Profit¹ (EP) Focus Drives Management Decisions and Increased Returns



Optimizing Capital Deployment

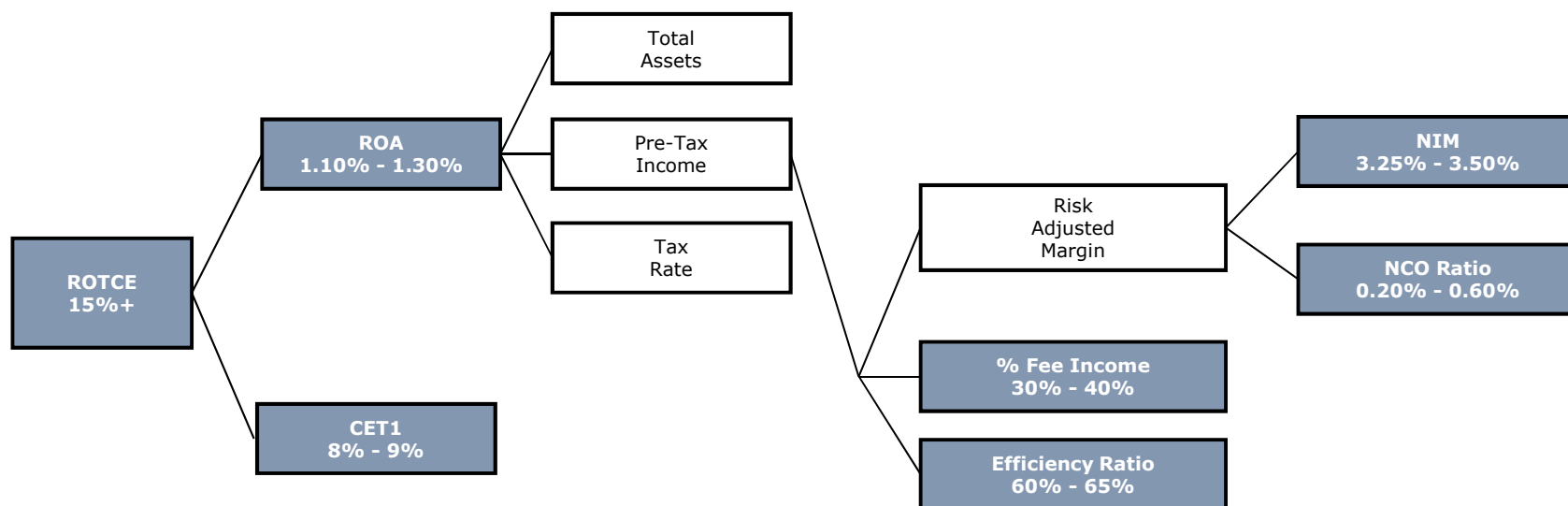
Proven Record of Successful Capital Allocation With a Long-Term View

Capital Deployment Alternatives	Invest Internally	Repatriate to Shareholders	Invest Externally
Criteria	<ul style="list-style-type: none"> ▪ Risk adjusted return on capital (RAROC) ▪ Economic profit opportunity ▪ Prioritization based on need to support core businesses 	<ul style="list-style-type: none"> ▪ Return capital to shareholders while maintaining an adequate capital buffer in stress scenarios ▪ IRR analysis, taking into account factors such as cost of capital, intrinsic value, P/TBV, and other deployment alternatives 	<ul style="list-style-type: none"> ▪ Strategic Fit <ul style="list-style-type: none"> ▪ Attractive markets and scale ▪ Financial Fit <ul style="list-style-type: none"> ▪ TBV dilution/earnback period ▪ EPS accretion/dilution ▪ Disciplined pricing ▪ Cultural Fit

Disciplined capital planning process will remain dynamic and take into account both macroeconomic environment and capital deployment opportunities

Achieving Strategic Priorities

Focused on Driving Sustainable Earnings Power



1Q18	Reported (GAAP)	Adjusted ³	Bonefish Targets
ROTCE ¹	14.1%	17.4%	15.0%+
ROA ¹	0.95%	1.17%	1.10% - 1.30%
CET1 ²	9.0%	9.0%	8.0% - 9.0%
NIM ¹	3.43%	3.43%	3.25% - 3.50%
NCO / Average Loans ¹	0.02%	0.02%	0.20% - 0.60%
Fee Income / Revenue	31%	31%	30% - 40%
Efficiency Ratio	72%	65%	60% - 65%

Capital Bank Merger Update

Increasing Confidence in Merger Success

Merger Economics More Favorable Than Original Announcement

	Original Announcement	Current Outlook
Accelerated Bonefish Achievement	By End of 2019	1Q18 ¹
Annual Cost Savings	\$65mm	\$85mm
Revenue Synergies	Not Originally Modeled	\$25mm-\$30mm
Interest Rates	Lower	Higher
Tax Rate	Higher	Lower

2018 Focus: Integration and Improved Accretion

- Systems conversion scheduled in 2Q 2018
- Half of \$85mm in annual cost savings expected in 2018
- Annualized revenue synergies of ~\$5mm
 - \$2mm annualized closed
 - \$3mm annualized in process

ASSET QUALITY

Asset Quality

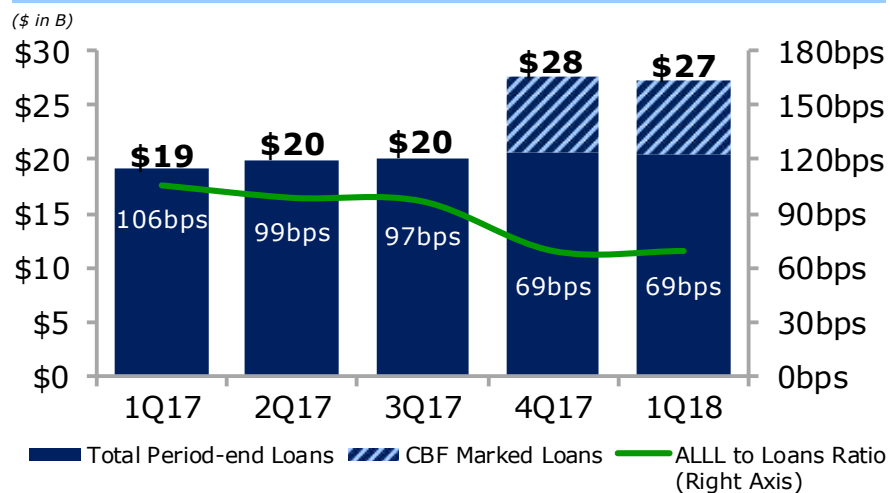
Stable Credit Trends Reflect Strong Underwriting Discipline

- Credit quality environment remains stable
- Allowance to loans ratio at 69bps
- Net charge-offs at \$1mm in 1Q18
- OREO decreased \$8mm LQ
- Non-strategic average loans declined 5% LQ, 21% YOY
- CBF credit performance as expected

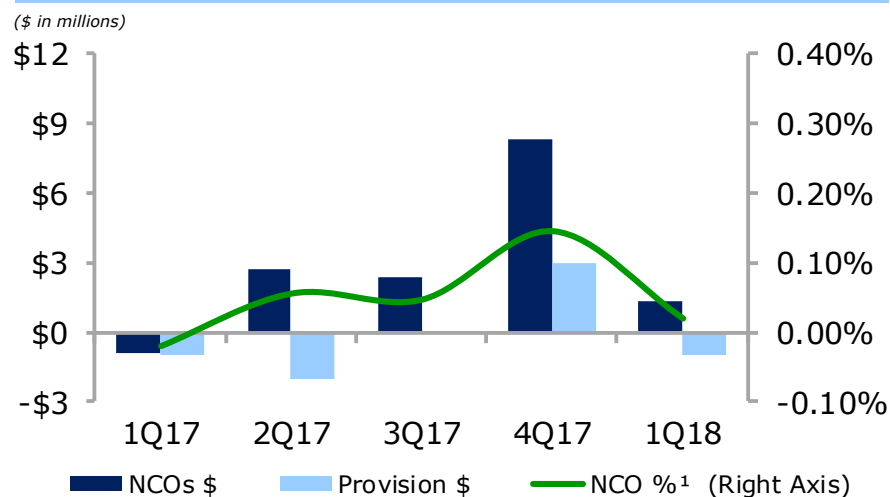
Asset Quality Highlights

(\$ in millions)	1Q17	2Q17	3Q17	4Q17	1Q18
Charge-offs	(\$8)	(\$10)	(\$11)	(\$17)	(\$8)
Recoveries	\$9	\$7	\$8	\$9	\$7
Net Charge-offs/ (Recoveries)	(\$1)	\$3	\$2	\$8	\$1
Provision/(Credit)	(\$1)	(\$2)	\$0	\$3	(\$1)

Allowance for Loan Losses



Net Charge-Offs (NCOs)

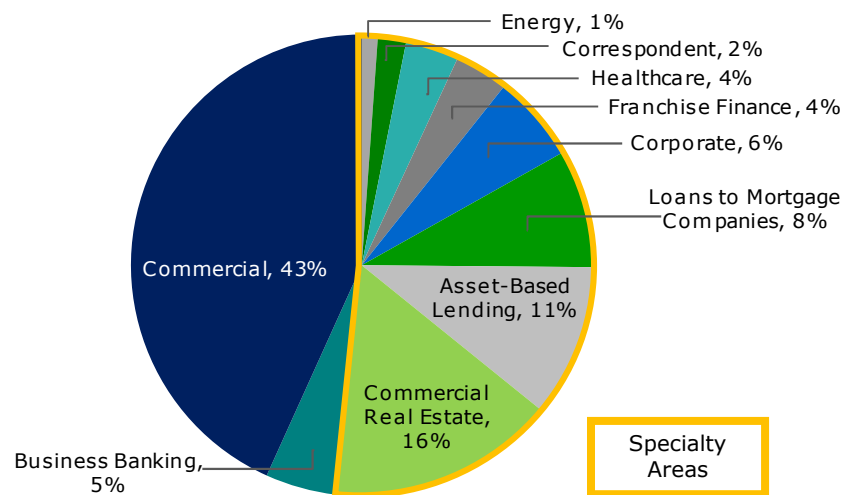


1Q18 Credit Quality Summary by Portfolio

(\$ in millions)	Regional Banking					Corporate ⁵	Non-Strategic				FHNC
	Commercial (C&I & Other)	CRE	HE & HELOC	Other ¹	Subtotal	Permanent Mortgage	Commercial (C&I & Other)	HE & HELOC	Permanent Mortgage	Other ²	Total
Period End Loans	\$15,410	\$4,234	\$5,707	\$669	\$26,020	\$49	\$418	\$540	\$217	\$6	\$27,250
30+ Delinquency %	0.16%	0.08%	0.38%	0.88%	0.21%	5.51%	0.00%	2.64%	3.16%	1.61%	0.29%
Dollars	\$25	\$4	\$21	\$6	\$55	\$3	\$0	\$14	\$7	\$0	\$79
NPL ³ %	0.16%	0.02%	0.53%	0.22%	0.22%	4.41%	0.72%	8.59%	10.43%	0.00%	0.48%
Dollars	\$25	\$1	\$30	\$1	\$58	\$2	\$3	\$46	\$23	\$0	\$132
Net Charge-offs ⁴ %	0.02%	NM	NM	1.93%	0.06%	NM	0.00%	NM	0.17%	NM	0.02%
Dollars	\$1	\$0	\$0	\$3	\$4	NM	\$0	(\$2)	\$0	\$0	\$1
Allowance	\$99	\$29	\$16	\$12	\$156	NM	\$1	\$17	\$13	\$0	\$187
Allowance / Loans %	0.64%	0.69%	0.27%	1.82%	0.60%	NM	0.30%	3.17%	5.93%	1.28%	0.69%
Allowance / Net Charge-offs	37.18x	NM	NM	0.90x	10.82x	NM	NM	NM	33.55x	NM	33.90x

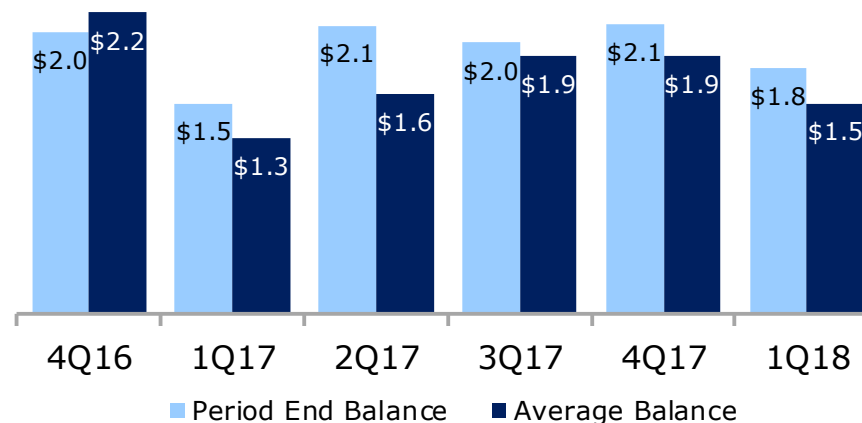
Select C&I and CRE Portfolio Metrics

1Q18 Average Regional Bank Commercial Loans

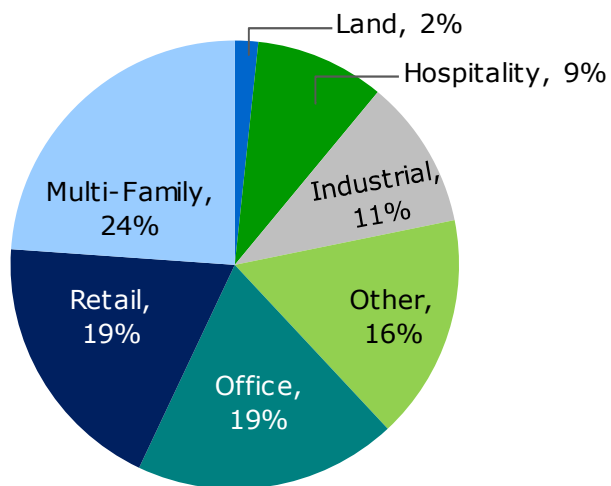


C&I: Loans to Mortgage Companies

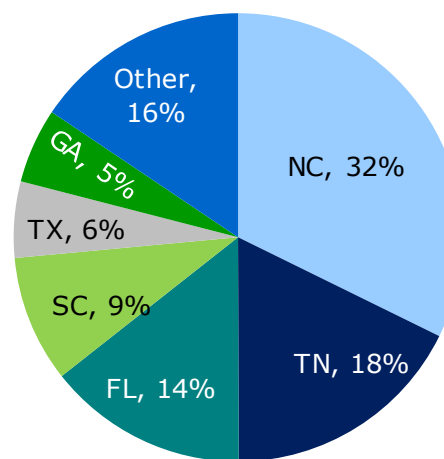
(\$ in billions)



CRE: Collateral Type

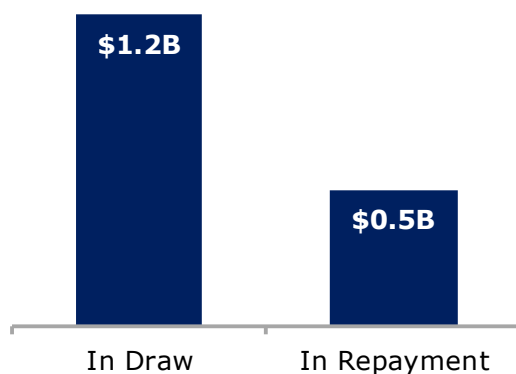


CRE: Geographic Distribution

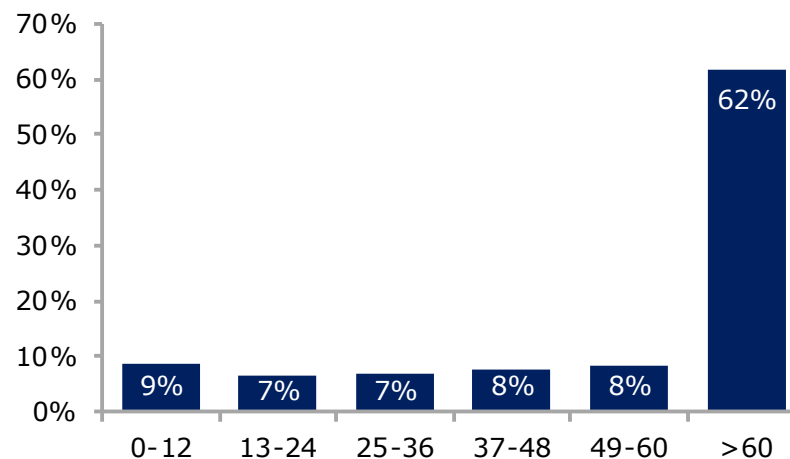


Consumer Portfolio & Non-Strategic Overview

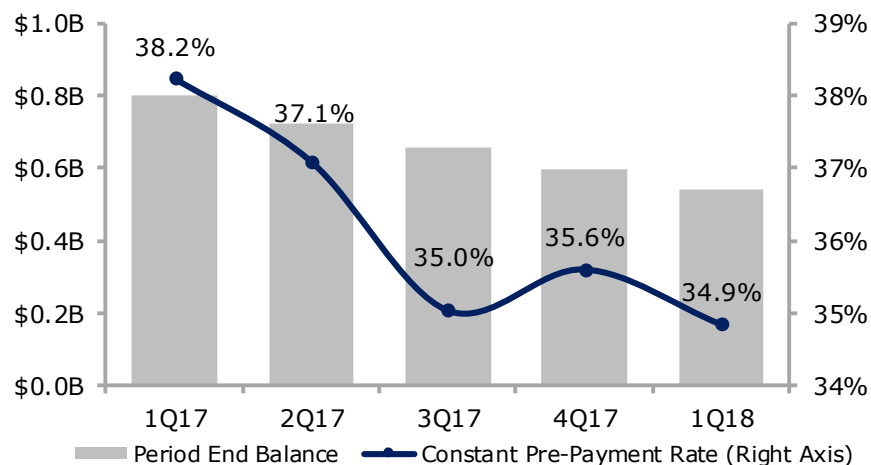
HELOC Draw vs Repayment Balances



Percent of Home Equity Portfolio: Months Left in Draw Period



Non-Strategic Consumer Real Estate Run-Off



Mortgage Repurchase Reserve

(\$ in millions)	1Q17	2Q17	3Q17	4Q17	1Q18
Beginning Balance	\$65	\$65	\$35	\$34	\$34
Net Realized Losses	(\$0)	(\$8)	(\$0)	(\$0)	\$0
Provision Credit	(\$0)	(\$22)	(\$1)	\$0	(\$0)
Ending Balance	\$65	\$35	\$34	\$34	\$33



APPENDIX

FTN Financial

Diversified Fixed Income Platform With Solid Returns

- Focused on investing in extensive fixed income distribution platform:
 - Acquisition of Coastal Securities in 2Q17 substantially expands government guaranteed loan ("GGL") products (SBA and USDA loans and securities) and contributes to municipal products growth strategy
 - GGL increased from 6% of fixed income product revenue to 15% of fixed income product revenue YOY
- 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

Diversified Fixed Income Product Mix



Complementary Products

- Investment Advisory
- Loan Sales & Advisory
- Interest Rate Derivatives
- Portfolio Accounting
- Asset/Liability Management

WE HAVE STRUCTURED MORE SBA POOLS THAN ANY OTHER ASSEMBLER

On April 3, 2017, Coastal Securities, Inc. was acquired by FTN Financial. Coastal has been a national leader in the securitization, trading, and sales of SBA 7(a) securities for more than 25 years. FTN Financial has built on Coastal's successes through its extensive distribution platform, liquidity, and capital position.

\$19.5 **19%**

Since the program's inception, FTN Financial (formerly Coastal) has assembled over \$19.5 billion in SBA 7(a) Pools

Historically, we represent over 19% of the market share in SBA 7(a) Pool issuance

#1

In 2017, we were the #1 issuer of equipment pools with \$687.8 million



Source: Colson Services Corp. and FTN Financial

Outstanding Long-Term Debt and Preferred Stock

	Issuance	Coupon Rate	Callable Date	Maturity	Principal Outstanding	Credit Ratings ¹	
						Moody's	Fitch
FTBNA							
Senior Debt ²	11/21/14	2.95%	11/1/19	12/1/19	\$400mm	Baa3	BBB-
Preferred Stock	3/23/05	3 Month LIBOR + 85bps ³	4/10/10	Perpetual	\$300mm	Ba2	B
REIT Preferred	10/11/00	9.50%	NA	3/31/31	\$47mm	Ba1	NA
Total FTBNA					\$747mm		
FHNC							
Senior Debt ²	10/30/15	3.50%	11/15/20	12/15/20	\$500mm	Baa3	BBB-
Preferred Stock	1/31/13	6.20%	4/10/18	Perpetual	\$100mm	Ba2	B
Trust Preferreds ⁴	2001-2007	3 Month LIBOR + 185bps	2007-2012	2031-2037	\$206mm	NA	NA
Total FHNC					\$806mm		

Reconciliation to GAAP Financials

Slides in this presentation use non-GAAP information of adjusted fee income, adjusted revenue, adjusted noninterest expense, adjusted pre-tax income, adjusted net income available to common, and adjusted earnings per share. That information is not presented according to generally accepted accounting principles (GAAP) and is reconciled to GAAP information below.

(\$ in millions)	1Q18	4Q17	1Q17	% Change	
				LQ	YOY
Adjusted Fee Income & Revenue					
Fee Income (GAAP)	\$136	\$133	\$117		
Plus: Notable Items (GAAP)	-\$3	\$0	\$0		
Adjusted Fee Income (Non-GAAP)	\$133	\$133	\$117	0%	13%
Plus: Net Interest Income (GAAP)	\$301	\$242	\$190		
Adjusted Revenue (Non-GAAP)	\$434	\$375	\$307	16%	41%
Adjusted Noninterest Expense					
Noninterest Expense (GAAP)	\$313	\$347	\$222		
Plus: Notable Items (GAAP)	-\$31	-\$89	\$0		
Adjusted Noninterest Expense (Non-GAAP)	\$282	\$258	\$222	9%	27%
Adjusted Pre-Tax Income					
Pre-Tax Income (GAAP)	\$125	\$26	\$85		
Plus: Notable Items (GAAP)	\$28	\$89	\$0		
Adjusted Pre-Tax Income (Non-GAAP)	\$153	\$114	\$85	34%	79%
Adjusted Net Income					
Net Income (GAAP)	\$95	-\$48	\$58		
Plus: Tax-affected Notable Items (GAAP) ¹	\$21	\$133	\$0		
Adjusted Net Income (Non-GAAP)	\$116	\$84	\$58	38%	99%
Adjusted Net Income Available to Common (NIAC) & Earnings Per Share (EPS)					
Net Income Available to Common (GAAP)	\$91	-\$53	\$54		
Plus: Tax-affected Notable Items (GAAP) ¹	\$21	\$133	\$0		
Adjusted Net Income Available to Common (Non-GAAP) (a)	\$112	\$80	\$54	41%	NM
Average Common Diluted Shares (GAAP)	330	265	237		
Adjusted Average Common Diluted Shares (Non-GAAP) ² (b)	330	268	237		
Earnings Per Share (GAAP)	\$0.27	(\$0.20)	\$0.23		
Adjusted Earnings Per Share (Non-GAAP) (a/b)	\$0.34	\$0.30	\$0.23	13%	48%

Reconciliation to GAAP Financials

Slides in this presentation use non-GAAP information of adjusted fee ratio, adjusted efficiency ratio, return on tangible common equity, adjusted return on tangible common equity, and adjusted return on average assets. That information is not presented according to generally accepted accounting principles (GAAP) and is reconciled to GAAP information below.

(\$ in millions)	1Q18	4Q17	1Q17	Change	
				LQ	YOY
Adjusted Fee & Adjusted Efficiency Ratios					
Adjusted Fee Income ¹ (Non-GAAP) (a)	\$133	\$133	\$117		
Adjusted Revenue ¹ (Non-GAAP) (b)	\$434	\$375	\$307		
Adjusted Fee Ratio (Non-GAAP) (a/b)	31%	35%	38%	-5%	-8%
Adjusted Noninterest Expense ¹ (Non-GAAP) (c)	\$282	\$258	\$222		
Adjusted Revenue ¹ Excluding Securities Gains (Non-GAAP) (d)	\$434	\$375	\$307		
Adjusted Efficiency Ratio (Non-GAAP) (c/d)	65%	69%	72%	-4%	-7%
Return on Tangible Common Equity (ROTCE)					
Average Total Equity (GAAP)	\$4,574	\$3,506	\$2,723		
Less: Average Noncontrolling Interest (GAAP)	-\$295	-\$295	-\$295		
Less: Average Preferred Stock (GAAP)	-\$96	-\$96	-\$96		
Average Common Equity (GAAP) (e)	\$4,183	\$3,115	\$2,332		
Less: Average Intangible Assets (GAAP)	-\$1,568	-\$727	-\$212		
Average Tangible Common Equity (Non-GAAP) (f)	\$2,615	\$2,388	\$2,120		
Annualized Net Income Available to Common (GAAP) (g)	\$368	-\$210	\$219		
Return on Average Common Equity (ROE) (GAAP) (g/e)	8.8%	-6.7%	9.4%		
Return on Average Tangible Common Equity (ROTCE) (Non-GAAP) (g/f)	14.1%	-8.8%	10.3%	2,284bps	373bps
Adjusted Return on Tangible Common Equity (ROTCE)					
Annualized Adjusted Net Income Available to Common ¹ (Non-GAAP) (h)	\$454	\$316	\$219		
Average Tangible Common Equity (Non-GAAP) (f)	\$2,615	\$2,388	\$2,120		
Return on Average Tangible Common Equity (ROTCE) (Non-GAAP) (h/f)	17.4%	13.2%	10.3%	414bps	704bps
Adjusted Return on Average Assets (ROA)					
Annualized Adjusted Net Income ¹ (Non-GAAP) (i)	\$472	\$334	\$237		
Average Total Assets (GAAP) (j)	\$40,351	\$33,106	\$28,806		
Adjusted Return on Average Assets (Non-GAAP) (i/j)	1.17%	1.01%	0.82%	16bps	35bps