



First Horizon National Corporation

Second Quarter 2018 Earnings

July 17, 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.*

Second Quarter 2018 Highlights

Sustainable Earnings Growth, Delivering on Capital Bank Merger Commitments

| EPS | | | ROTCE ¹ | | | ROA | | |
|-----------------------|--------|-----|-----------------------|-------|---------|-----------------------|-------|-------|
| Reported | \$0.25 | -7% | Reported | 12.6% | -143bps | Reported | 0.86% | -9bps |
| Adjusted ¹ | \$0.36 | +6% | Adjusted ¹ | 18.2% | +85bps | Adjusted ¹ | 1.22% | +5bps |

- **Accelerating earnings growth**
- **Strong net interest income growth and net interest margin expansion**
- **Delivering higher returns and improved efficiency**
- **Demonstrating higher earnings accretion from Capital Bank merger**
 - Completed systems conversion
 - Accelerated achievement of cost savings
 - Meaningful ongoing revenue synergies realized
- **Excellent credit quality trends**

FINANCIAL RESULTS

Financial Results

- Solid results reflect:
 - Adjusted EPS up 6% LQ and 33% YOY
 - Positive NII and NIM trends from asset sensitive balance sheet and loan accretion
 - Expense discipline with accelerated cost savings from Capital Bank merger
 - Excellent credit quality trends

| Financial Results | 2Q18 | | Actuals vs Actuals | | Adjusted ¹ vs Adjusted ¹ | |
|---|---------|-----------------------|--------------------|------|--|------|
| | Actuals | Adjusted ¹ | 1Q18 | 2Q17 | 1Q18 | 2Q17 |
| <i>\$ in millions except per share data</i> | | | | | | |
| Net Interest Income | \$311 | \$311 | +3% | +55% | +3% | +55% |
| Fee Income | \$128 | \$128 | -6% | -% | -4% | -% |
| Total Revenue | \$438 | \$438 | -% | +34% | +1% | +34% |
| Expense | \$333 | \$285 | +6% | +53% | +1% | +23% |
| Loan Loss Provision | \$0 | \$0 | NM | NM | NM | NM |
| Pre-Tax Income | \$106 | \$153 | -15% | -6% | -% | +55% |
| NIAC ² | \$82 | \$118 | -10% | -10% | +5% | +87% |
| EPS | \$0.25 | \$0.36 | -7% | -34% | +6% | +33% |
| Avg Loans (\$B) | \$27.3 | \$27.3 | +1% | +42% | +1% | +42% |
| Avg Deposits (\$B) | \$30.7 | \$30.7 | +2% | +36% | +2% | +36% |

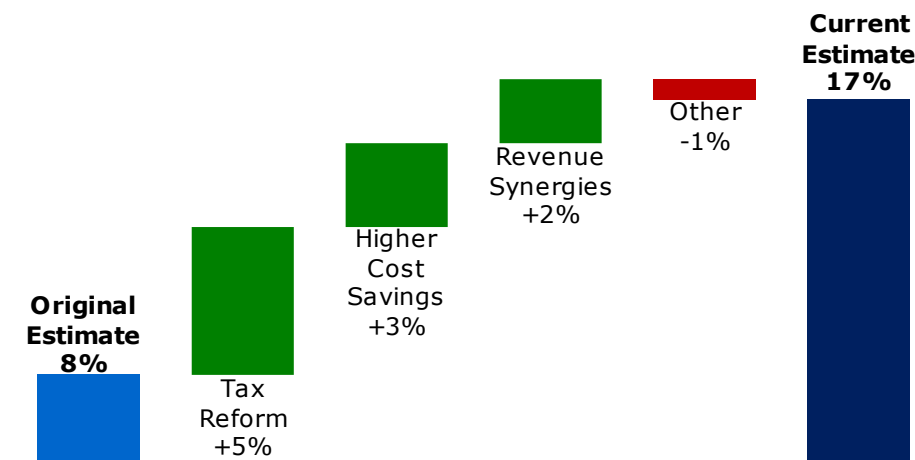
| Net Income Available to Common (NIAC) & EPS Reconciliation | | | |
|---|----------------|------------------|-------------------|
| <i>\$ in millions except per share data</i> | Amount | | Per Share |
| | <i>Pre-tax</i> | <i>After-tax</i> | <i>EPS Impact</i> |
| 2Q18 Reported NIAC² & EPS | | \$82 | \$0.25 |
| Notable Items: | | | |
| Acquisition Expenses | \$43 | \$33 | +\$0.10 |
| Other Expense (Visa Shares) | \$4 | \$3 | +\$0.01 |
| 2Q18 Adjusted¹ NIAC² & EPS | | \$118 | \$0.36 |

Successful Execution on Capital Bank Merger Priorities

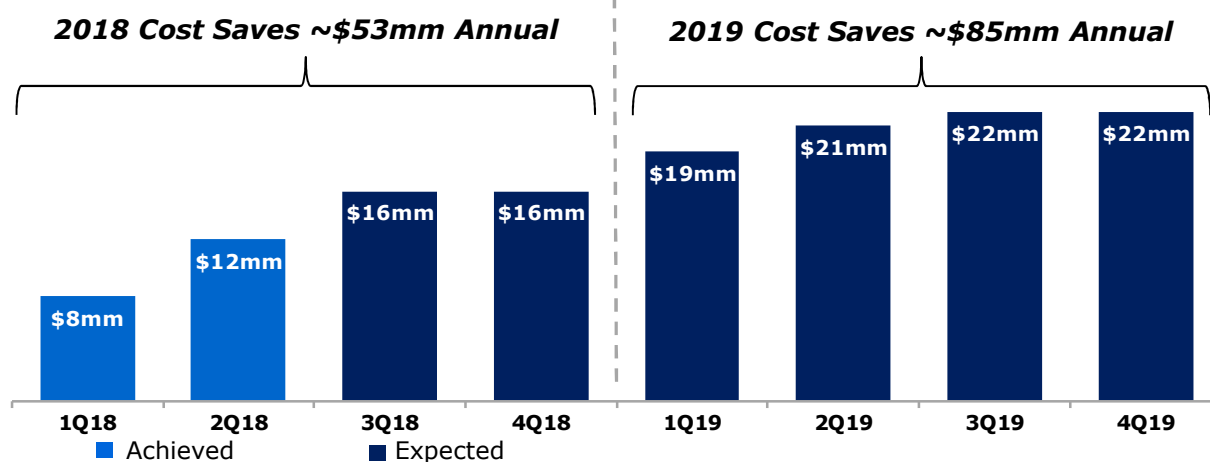
Improved EPS Accretion From Higher Cost Savings and Revenue Synergies

- Current earnings accretion estimate more than 2x original announcement
- Cost savings of \$12mm achieved in 2Q18
 - ~55% of total cost saves now in run rate
- Total of closed or in-process revenue synergies of \$17mm (YTD Annualized)¹
 - 306 total deals¹ closed or in-process
- Completed systems conversion at end of May

Current 2019 Earnings Accretion Estimate 2x Original



Expected Cost Savings in 2018 Ahead of Original Estimates



Revenue Synergies

Revenue Synergies (YTD Annualized)¹



of Deals (YTD)¹

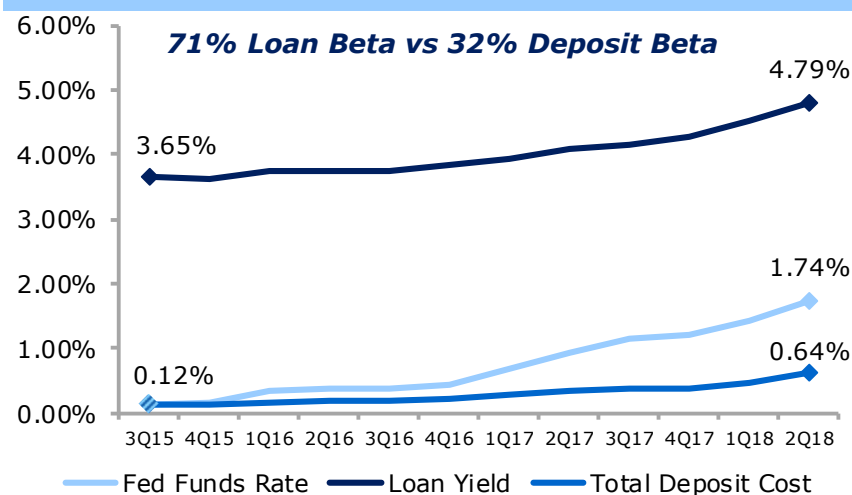


Net Interest Income and Net Interest Margin

Strong Performance Driven by Multiple Factors

- NIM expansion from 2.92% in 1Q17 to 3.53% in 2Q18 driven by:
 - Balance sheet growth
 - Net benefit from short term rate increases
 - Accretion from CBF loans
- 67% of the loan book is floating rate
- 26% of deposits are non-interest bearing

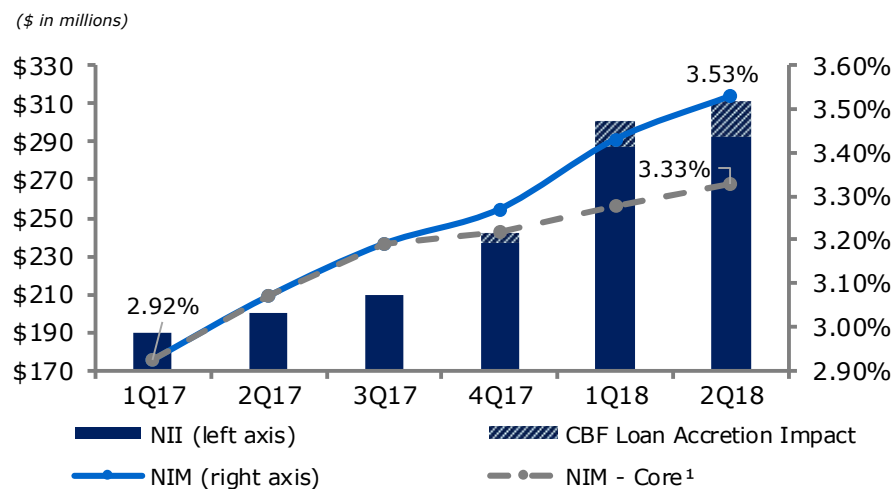
Loan Yield Betas Have Outpaced Deposit Betas



NII and NIM Linked-Quarter Change Drivers

| (\$ in millions) | NII | NIM |
|--------------------------------|----------------|--------------|
| 1Q18 - Reported | \$301.2 | 3.43% |
| Less: 1Q18 CBF Loan Accretion | -\$13.7 | -16bps |
| 1Q18 - Core¹ | \$287.4 | 3.27% |
| Days | +\$2.3 | - bp |
| Loan Fees | +\$1.6 | +2bps |
| Other | +\$1.3 | +4bps |
| 2Q18 - Core¹ | \$292.6 | 3.33% |
| 2Q18 CBF Loan Accretion | +\$18.3 | +21bps |
| 2Q18 - Reported | \$310.9 | 3.53% |

NIM Expansion and Loan Growth Drive NII Increase

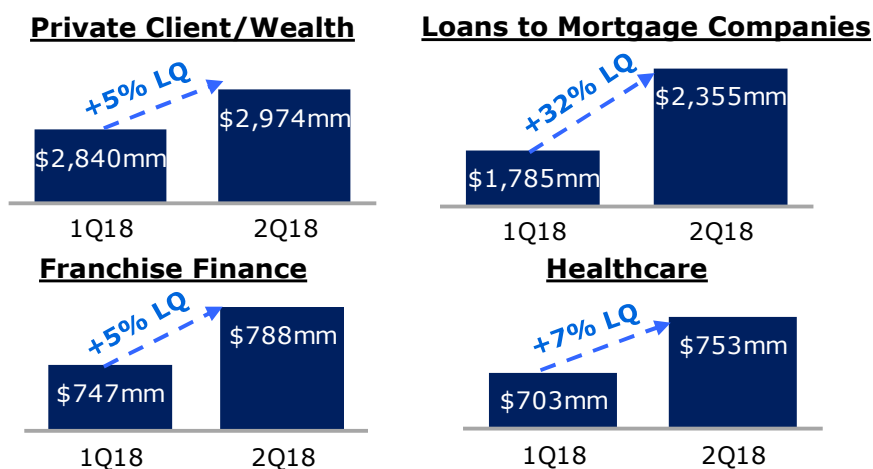


Building Higher Return Balance Sheet

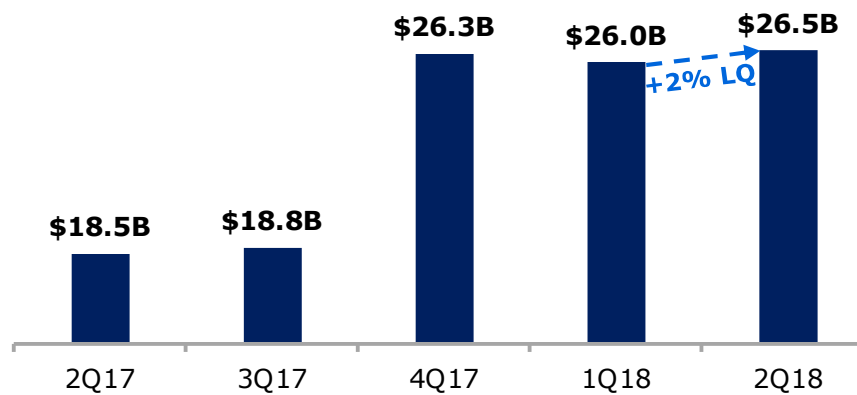
Economic Profit Focus Driving Improved Loan Portfolio Mix

- Strong growth in highly profitable specialty lending areas, especially Loans to Mortgage Companies
- Tennessee markets steady with solid growth in Middle-Tennessee
- Capital Bank markets have strong post-conversion pipelines
- Repositioning balance sheet by growing profitable relationships and products and exiting low relationship value loan portfolios
 - Strategic exit of ~\$150mm of low relationship value loans YTD
 - Sale of ~\$120mm (UPB) of sub-prime auto loans in 2Q18

Growth in Higher Return Areas¹



Regional Bank Loan Growth ¹



Asset Quality

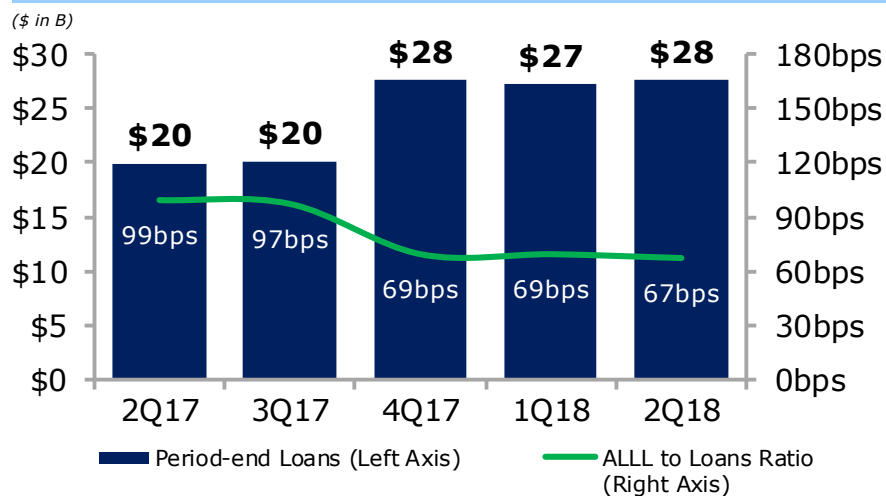
Stable Credit Trends Reflect Strong Underwriting Discipline

- Credit quality environment remains stable
- Net charge-offs at \$2mm in 2Q18
- 32% decline in criticized loans mainly from upgrade of ~\$310mm of TRUPs loans
- NPA decline 9% LQ
- Non-strategic average loans declined 5% LQ, 20% YOY
- Capital Bank credit performance as expected
- Allowance to loans ratio at 67bps

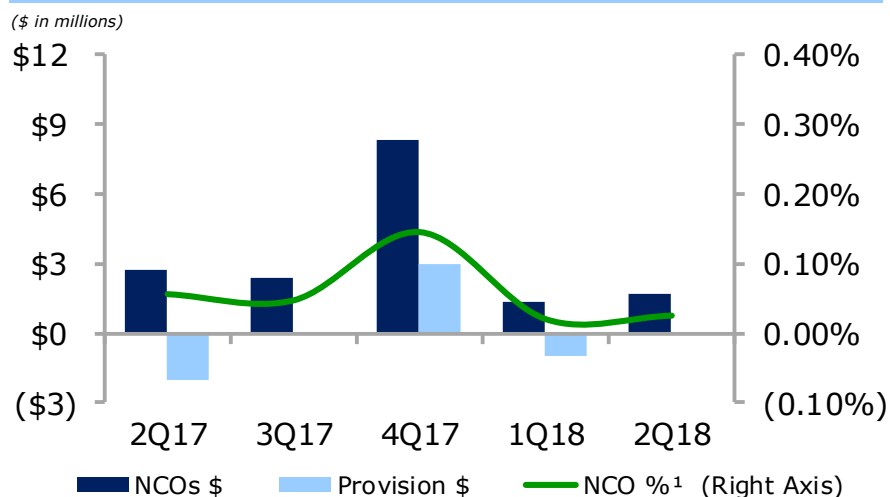
Asset Quality Highlights

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

Allowance for Loan Losses

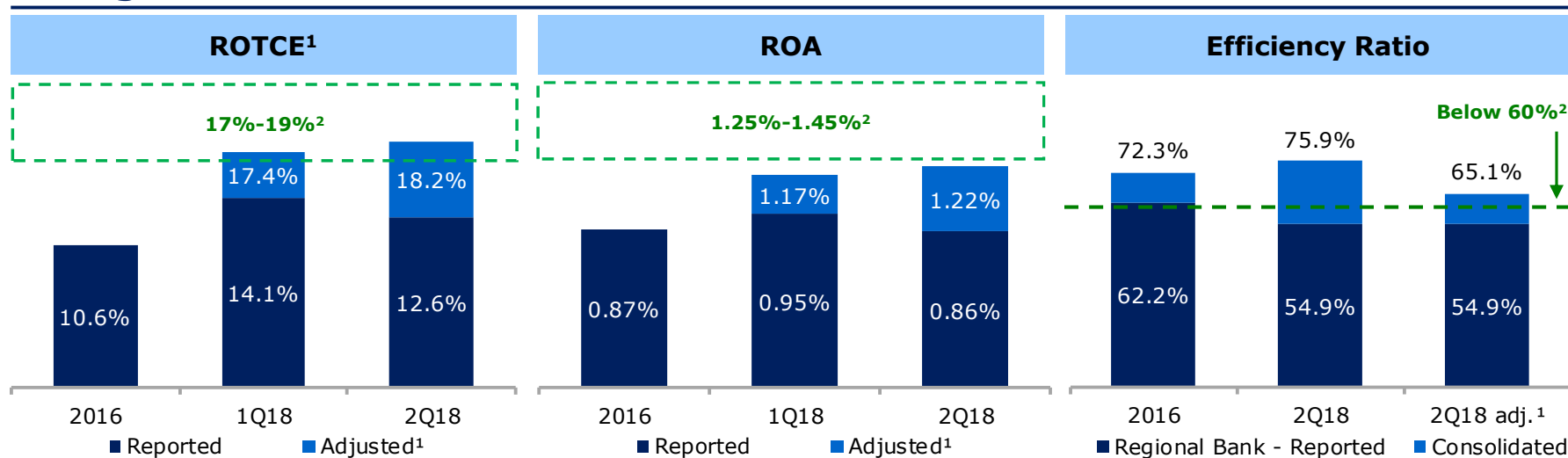


Net Charge-Offs (NCOs)



Well-Positioned For Consistent Top-Quartile Returns

Strong Momentum and Current Tailwinds Are Positive



Current Environment for Banking Industry Remains Favorable

Macro Trends

- Continued solid GDP growth and low unemployment rate
- Low risk of near-term recession

Credit Environment

- Credit quality remains stable and benign

Interest Rates

- Continued hikes in short term interest rates
- Increasing deposit competition

FHN Key Priorities

Building Momentum

- **Delivering earnings accretion from CBF cost saves and revenue synergies**
- **Maintaining strong performance across TN and specialty businesses**
- **Building momentum in Carolinas and Florida markets**
- **Enhancing relationships to drive customer acquisition and retention**



APPENDIX

NOTABLE ITEMS

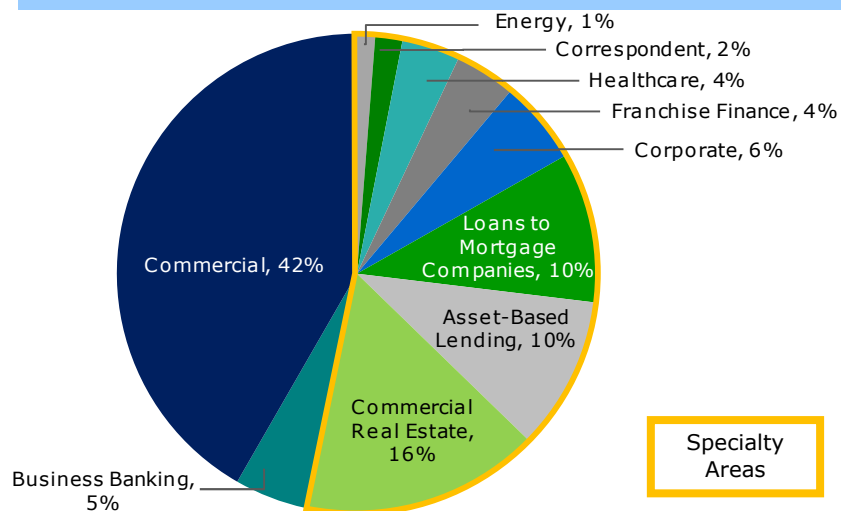
| | 2017 | Pre-Tax Amount ¹ | 2018 | Pre-Tax Amount ¹ |
|----|---|-----------------------------|-----------------------|-----------------------------|
| 1Q | None | | Acquisition Expense | (\$31.4mm) |
| | | | Gain on property sale | \$3.3mm |
| 2Q | Mortgage Repurchase Reserve Release | \$20.0mm | Acquisition Expense | (\$43.2mm) |
| | Acquisition Expense | (\$6.4mm) | | |
| | Effective tax rate adjustment associated with reversal of a capital loss deferred tax valuation allowance ¹ | \$19.5mm | | |
| 3Q | Loss on equity securities repurchase | (\$14.3mm) | | |
| | Acquisition Expense | (\$8.2mm) | | |
| | Legal Matters | (\$8.2mm) | | |
| | Tax rate adjustments primarily associated with the reversal of a capital loss deferred tax valuation allowance and certain discrete period items ¹ | \$13.7mm | | |
| 4Q | Tax Reform-Related Adjustments ¹ | (\$82.0mm) | | |
| | Other Tax Adjustments ¹ | \$10.7mm | | |
| | Acquisition Expense | (\$46.7mm) | | |
| | Legal Matters | (\$32.1mm) | | |
| | Employee Bonuses | (\$9.9mm) | | |

2Q18 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 | \$16,020 | \$4,136 | \$5,734 | \$653 | \$26,543 | \$44 | \$419 | \$489 | \$201 | \$6 | \$27,702 |
| 30+ Delinquency % | 0.15% | 0.06% | 0.51% | 1.62% | 0.25% | 3.32% | 0.00% | 2.63% | 2.28% | 1.31% | 0.31% |
| Dollars | \$23 | \$3 | \$30 | \$11 | \$66 | \$1 | \$0 | \$13 | \$5 | \$0 | \$85 |
| NPL ³ % | 0.10% | 0.03% | 0.57% | 0.11% | 0.19% | 3.94% | 0.71% | 9.55% | 11.08% | 0.00% | 0.45% |
| Dollars | \$16 | \$1 | \$33 | \$1 | \$51 | \$2 | \$3 | \$47 | \$22 | \$0 | \$125 |
| Net Charge-offs ⁴ % | 0.06% | 0.01% | NM | 2.20% | 0.09% | NM | NM | NM | NM | NM | 0.03% |
| Dollars | \$2 | \$0 | \$0 | \$4 | \$6 | NM | \$0 | (\$3) | \$0 | \$0 | \$2 |
| Allowance | \$96 | \$34 | \$16 | \$11 | \$156 | NM | \$1 | \$16 | \$12 | \$0 | \$185 |
| Allowance / Loans % | 0.60% | 0.82% | 0.27% | 1.74% | 0.59% | NM | 0.31% | 3.28% | 5.77% | 1.11% | 0.67% |
| Allowance / Net Charge-offs | 10.57x | 55.04x | NM | 0.78x | 7.04x | NM | NM | NM | NM | NM | 26.70x |

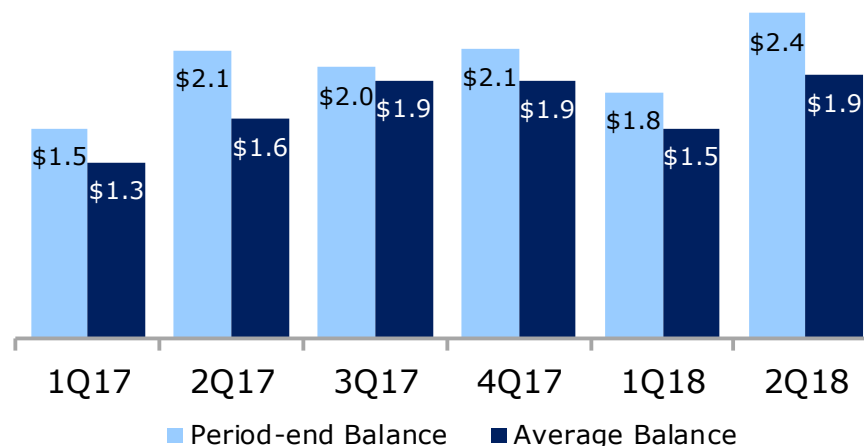
Select C&I and CRE Portfolio Metrics

2Q18 Average Regional Bank Commercial Loans

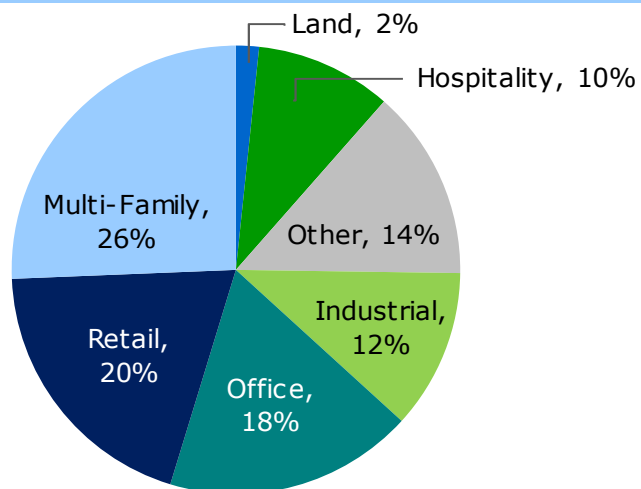


C&I: Loans to Mortgage Companies

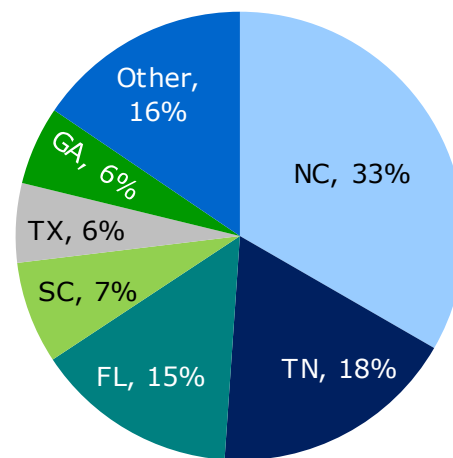
(\$ in billions)



CRE: Collateral Type

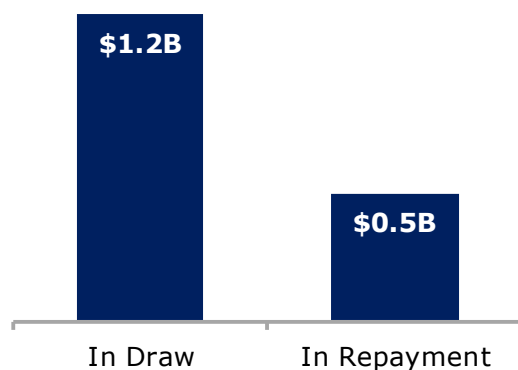


CRE: Geographic Distribution

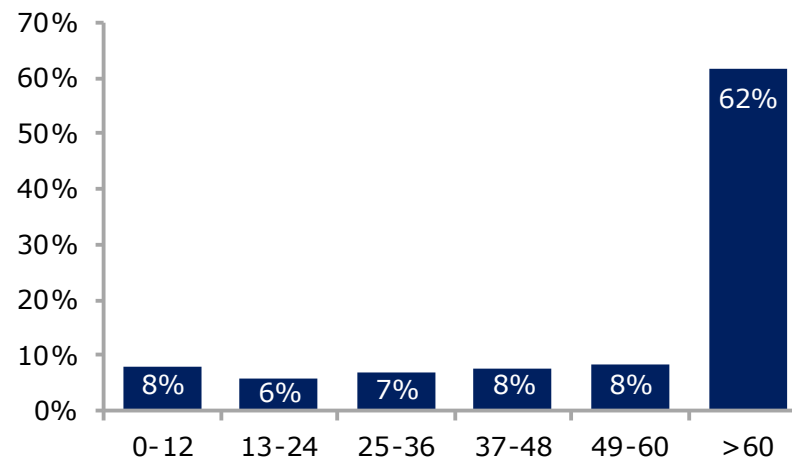


Consumer Portfolio & Non-Strategic Overview

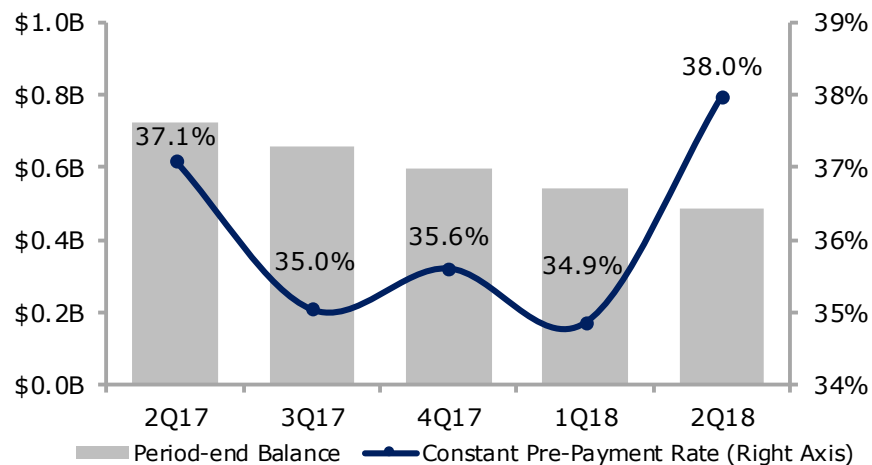
HELOC Draw vs Repayment Balances



Percent of Home Equity Portfolio: Months Left in Draw Period



Non-Strategic Consumer Real Estate Run-Off



Mortgage Repurchase Reserve

| (\$ in millions) | 2Q17 | 3Q17 | 4Q17 | 1Q18 | 2Q18 |
|---------------------|--------|-------|-------|-------|-------|
| Beginning Balance | \$65 | \$35 | \$34 | \$34 | \$33 |
| Net Realized Losses | (\$8) | (\$0) | (\$0) | \$0 | (\$1) |
| Provision Credit | (\$22) | (\$1) | \$0 | (\$0) | (\$0) |
| Ending Balance | \$35 | \$34 | \$34 | \$33 | \$32 |

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) | 2Q18 | 1Q18 | 2Q17 | % Change | |
|--|--------|--------|--------|----------|------|
| | | | | LQ | YOY |
| Adjusted Fee Income & Revenue | | | | | |
| Revenue (GAAP) | \$438 | \$437 | \$328 | 0% | 34% |
| Fee Income (GAAP) | \$128 | \$136 | \$128 | -6% | 0% |
| Plus: Notable Items (GAAP) | \$0 | -\$3 | \$0 | | |
| Adjusted Fee Income (Non-GAAP) | \$128 | \$133 | \$128 | -4% | 0% |
| Plus: Net Interest Income (GAAP) | \$311 | \$301 | \$201 | | |
| Adjusted Revenue (Non-GAAP) | \$438 | \$434 | \$328 | 1% | 34% |
| Adjusted Noninterest Expense | | | | | |
| Noninterest Expense (GAAP) | \$333 | \$313 | \$218 | 6% | 53% |
| Plus: Notable Items (GAAP) | -\$47 | -\$31 | \$14 | | |
| Adjusted Noninterest Expense (Non-GAAP) | \$285 | \$282 | \$232 | 1% | 23% |
| Adjusted Pre-Tax Income | | | | | |
| Pre-Tax Income (GAAP) | \$106 | \$125 | \$112 | -15% | -6% |
| Plus: Notable Items (GAAP) | \$47 | \$28 | -\$14 | | |
| Adjusted Pre-Tax Income (Non-GAAP) | \$153 | \$153 | \$99 | 0% | 55% |
| Adjusted Net Income | | | | | |
| Net Income (GAAP) | \$86 | \$95 | \$95 | -9% | -10% |
| Plus: Tax-affected Notable Items (GAAP) ¹ | \$36 | \$21 | -\$28 | | |
| Adjusted Net Income (Non-GAAP) | \$122 | \$116 | \$67 | 5% | 81% |
| Adjusted Net Income Available to Common (NIAC) & Earnings Per Share (EPS) | | | | | |
| Net Income Available to Common (GAAP) | \$82 | \$91 | \$91 | -10% | -10% |
| Plus: Tax-affected Notable Items (GAAP) ¹ | \$36 | \$21 | -\$28 | | |
| Adjusted Net Income Available to Common (Non-GAAP) (a) | \$118 | \$112 | \$63 | 5% | 87% |
| Average Common Diluted Shares (GAAP) | 328 | 330 | 236 | | |
| Adjusted Average Common Diluted Shares (Non-GAAP) (b) | 328 | 330 | 236 | | |
| Earnings Per Share (GAAP) | \$0.25 | \$0.27 | \$0.38 | -7% | -34% |
| Adjusted Earnings Per Share (Non-GAAP) (a/b) | \$0.36 | \$0.34 | \$0.27 | 6% | 33% |

Reconciliation to GAAP Financials

Slides in this presentation use non-GAAP information of 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) | 2Q18 | 1Q18 | 2016 | Change LQ |
|--|----------|----------|----------|-----------|
| Adjusted Efficiency Ratio | | | | |
| Noninterest Expense (GAAP) (a) | \$333 | \$313 | \$925 | |
| Revenue Excluding Securities Gains (GAAP) (b) | \$438 | \$437 | \$1,280 | |
| Efficiency Ratio (GAAP) (a/b) | 76% | 72% | 72% | N/A |
| Adjusted Noninterest Expense ¹ (Non-GAAP) (c) | \$285 | \$282 | N/A | |
| Adjusted Revenue ¹ Excluding Securities Gains (Non-GAAP) (d) | \$438 | \$434 | N/A | |
| Adjusted Efficiency Ratio (Non-GAAP) (c/d) | 65% | 65% | N/A | N/A |
| Return on Tangible Common Equity (ROTCE) | | | | |
| Average Total Equity (GAAP) | \$4,553 | \$4,574 | \$2,691 | |
| Less: Average Noncontrolling Interest (GAAP) | -\$295 | -\$295 | -\$295 | |
| Less: Average Preferred Stock (GAAP) | -\$96 | -\$96 | -\$96 | |
| Average Common Equity (GAAP) (e) | \$4,161 | \$4,183 | \$2,300 | |
| Less: Average Intangible Assets (GAAP) | -\$1,569 | -\$1,568 | -\$215 | |
| Average Tangible Common Equity (Non-GAAP) (f) | \$2,592 | \$2,615 | \$2,086 | |
| Annualized Net Income Available to Common (GAAP) (g) | \$327 | \$368 | \$221 | |
| Return on Average Common Equity (ROE) (GAAP) (g/e) | 7.9% | 8.8% | 9.6% | -92bps |
| Return on Average Tangible Common Equity (ROTCE) (Non-GAAP) (g/f) | 12.6% | 14.1% | 10.6% | -143bps |
| Adjusted Return on Tangible Common Equity (ROTCE) | | | | |
| Annualized Adjusted Net Income Available to Common ¹ (Non-GAAP) (h) | \$473 | \$455 | N/A | |
| Average Tangible Common Equity (Non-GAAP) (f) | \$2,592 | \$2,615 | N/A | |
| Adjusted Return on Average Tangible Common Equity (ROTCE) (Non-GAAP) (h/f) | 18.2% | 17.4% | N/A | 85bps |
| Adjusted Return on Average Assets (ROA) | | | | |
| Annualized Net Income (GAAP) (i) | \$345 | \$385 | \$239 | |
| Average Total Assets (GAAP) (j) | \$40,174 | \$40,351 | \$27,427 | |
| Return on Average Assets (GAAP) (i/j) | 0.86% | 0.95% | 0.87% | -9bps |
| Annualized Adjusted Net Income ¹ (Non-GAAP) (k) | \$490 | \$472 | N/A | |
| Average Total Assets (GAAP) (l) | \$40,174 | \$40,351 | N/A | |
| Adjusted Return on Average Assets (Non-GAAP) (k/l) | 1.22% | 1.17% | N/A | 5bps |