



First Horizon National Corporation

First Quarter 2016 Earnings

April 15, 2016

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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 Quarter 2016 Accomplishments

Strength in Core Businesses

Regional Bank:

- Pre-Provision Net Revenue up 9%
- Average loan growth of 13%, led by increases in specialty lending areas
- Average core deposits up 8%

Fixed Income:

- Average daily revenue at \$944k, up 8%
- Return on assets at 1.3%¹
- Return on equity at 21%¹

Focus on Positive Operating Leverage

- Consolidated revenues increased 7%, while adjusted expense² rose 5%
 - Higher variable compensation related to an increase in fixed income revenue
 - Strategic investments in people, technology, and growth markets
- Consolidated net interest income up 10% and net interest margin up 14bps
- Consolidated average loans up 7% and average deposits increased 10%
- Right sizing branch network with 1Q16 impairment of \$3.7mm which should reduce run-rate by ~\$4-5mm annually
- Revenue per FTE in Regional Bank up 6%

Capital Deployment

- Repurchased \$75mm or 6mm shares in 1Q16
 - 1Q16 VWAP of \$12.32³
- Increased dividend by 17% in 1Q16

FINANCIAL RESULTS

1Q16 Consolidated Financial Results

<i>\$ in millions</i> Financial Results	Actuals			1Q16 vs	
	1Q16	4Q15	1Q15	4Q15	1Q15
Net Interest Income	\$172	\$167	\$157	+3%	+10%
Fee Income	\$134	\$132	\$130	+2%	+4%
Loan Loss Provision Expense	\$3	\$1	\$5	NM	-40%
Pre-Tax Income	\$76	\$54	\$(95)	+41%	NM
Net Income Available to Common Shareholders	\$48	\$47	\$(77)	+2%	NM
Adjusted Expense ¹	\$223	\$224	\$213	*	+5%
Adjusted Pre-Tax Income ¹	\$80	\$74	\$68	+9%	+18%
Adjusted Net Income Available to Common Shareholders¹	\$51	\$51	\$42	*	+21%
Total Average Loans (\$B)	\$17.3	\$16.9	\$16.1	+2%	+7%
Total Average Core Deposits (\$B)	\$19.4	\$19.0	\$17.8	+2%	+9%

- Net interest income improvement driven by an increase in Fed Funds rate and higher commercial loan balances
- Fee income up, largely driven by increase in fixed income ADR
- Effective tax rate of 32% in 1Q16 vs 5% in 4Q15
- Total average loans up YOY and LQ due to growth in specialty lending areas
- Average core deposits up YOY from TrustAtlantic acquisition and up LQ due to seasonal inflow of public fund deposits

1Q16 Segment Highlights

\$ in millions, except EPS	Net Income ¹			1Q16 Per Share Impact ²	Drivers and Impacts
	1Q16	4Q15	1Q15		
Regional Banking	\$46	\$51	\$48	\$0.19	<ul style="list-style-type: none"> ▪ NII up 12% YOY and 2% LQ ▪ Average loans up 13% YOY and 3% LQ ▪ Expenses down 2% LQ <ul style="list-style-type: none"> ▪ 1Q16 expense includes \$3.7mm branch impairment ▪ Loan loss provision \$15mm in 1Q16 vs \$6mm in 4Q15
Fixed Income	\$7	\$7	\$7	\$0.03	<ul style="list-style-type: none"> ▪ Fixed income product ADR of \$944k in 1Q16 vs \$850k in 4Q15 ▪ Expenses up from higher variable compensation and seasonal FICA reset
Corporate¹	\$(15)	\$(8)	\$(18)	\$(0.06)	<ul style="list-style-type: none"> ▪ 1Q16 includes \$1.7mm gain on sales of securities vs \$1.8mm in 4Q15 ▪ 4Q15 includes \$2.8mm of impairment related to a tax credit investment and \$2.7mm of acquisition costs related to TrustAtlantic
Non-Strategic	\$10	\$(3)	\$(114)	\$0.04	<ul style="list-style-type: none"> ▪ Loan loss provision of \$(12)mm in 1Q16 vs \$(5)mm in 4Q15 ▪ 4Q15 includes litigation expense of \$14.2mm vs. \$162.5mm in 1Q15 ▪ Non-Strategic average loans declined 5% LQ and 20% YOY to \$2.0B
Total¹	\$48	\$47	\$(77)	\$0.20	

Regional Banking Financial Results

Strong Year over Year Balance Sheet and NII Growth

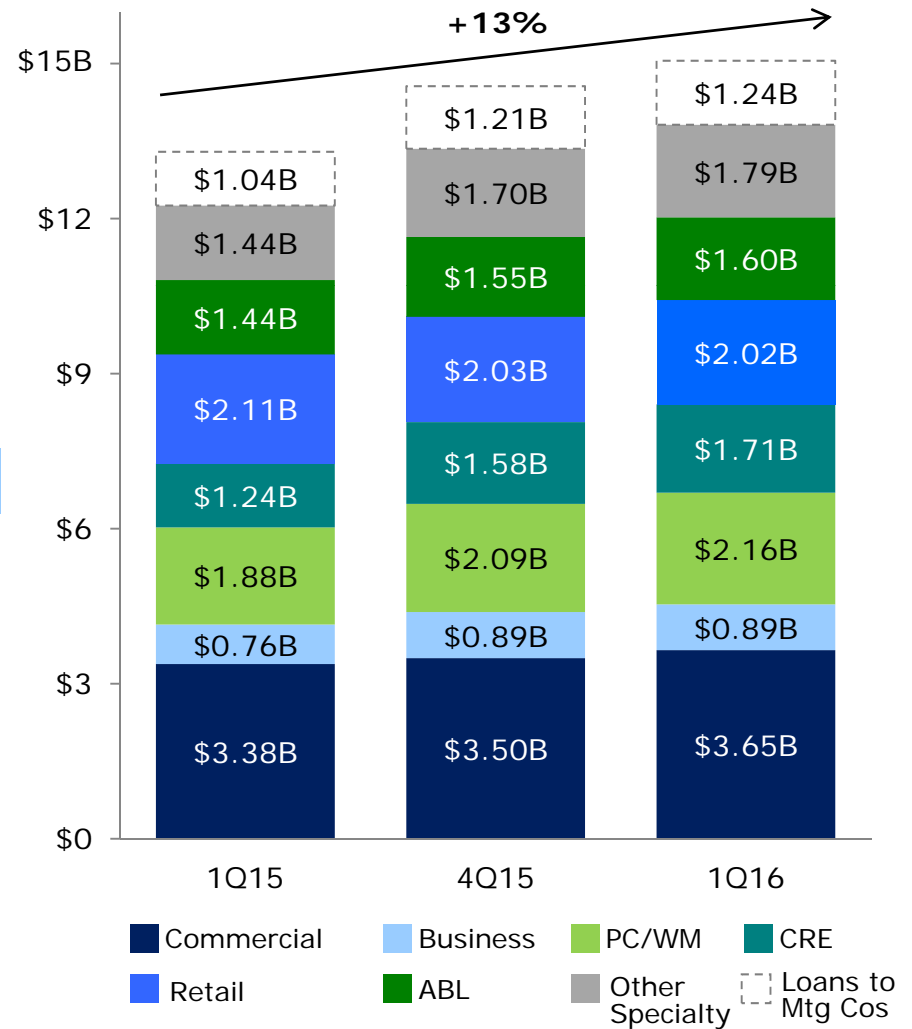
\$ in millions Financial Results	Actuals			1Q16 vs	
	1Q16	4Q15	1Q15	4Q15	1Q15
Net Interest Income	\$172	\$170	\$154	+2%	+12%
Fee Income	\$59	\$63	\$60	-5%	-2%
Expense	\$145	\$148	\$135	-2%	+7%
Pre-Provision Net Revenue	\$86	\$85	\$79	+2%	+9%
Loan Loss Provision	\$15	\$6	\$5	NM	NM
Net Income	\$46	\$51	\$48	-9%	-4%
Total Average Loans (\$B)	\$15.2	\$14.8	\$13.5	+3%	+13%
Average Core Deposits (\$B)	\$17.6	\$17.4	\$16.3	+1%	+8%

- Revenues up YOY, flat LQ
 - NII up YOY, LQ driven by an increase in Fed Funds rate and higher commercial loan balances
- Fee income LQ decrease primarily driven by seasonally lower deposit fees
- Expenses decreased 2% LQ largely due to lower pension and advertising expenses, somewhat offset by branch impairment expense and FICA reset
- Average loans increased YOY and LQ
 - Continued strong growth in specialty lending areas such as asset-based lending, commercial real estate and loans to mortgage companies
- Average core deposits up YOY from TrustAtlantic acquisition and up LQ due to seasonal inflow of public fund deposits
- Loan loss provision increase driven by moderation of upgrades vs downgrades in commercial loan portfolio

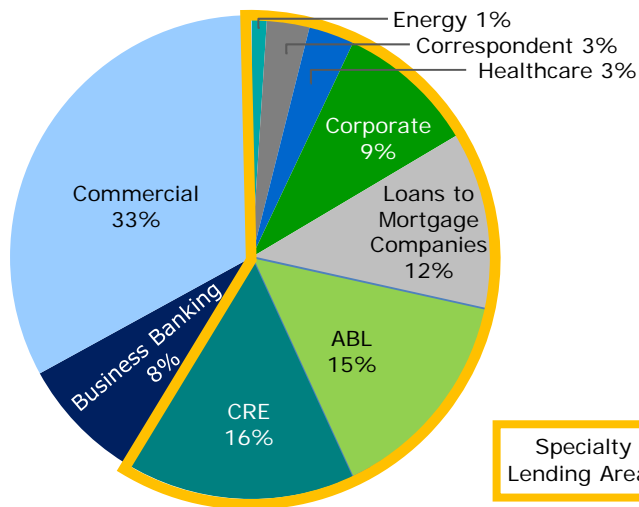
Profitable Growth Opportunities: Regional Banking

- Regional Banking average loan growth of 13% YOY and 3% LQ
- Average Commercial loans up 16% YOY and 4% LQ
- Continued strong loans in specialty lending areas
 - CRE up \$0.5B YOY and \$0.1B LQ, reflects continued funding up of commitments across broad based property types and geographies
 - CRE YOY growth includes loans from TrustAtlantic acquisition
 - Energy comprises 1% of commercial portfolio

Regional Banking Average Loans by Lending Area



1Q16 Average Regional Bank Commercial Loans

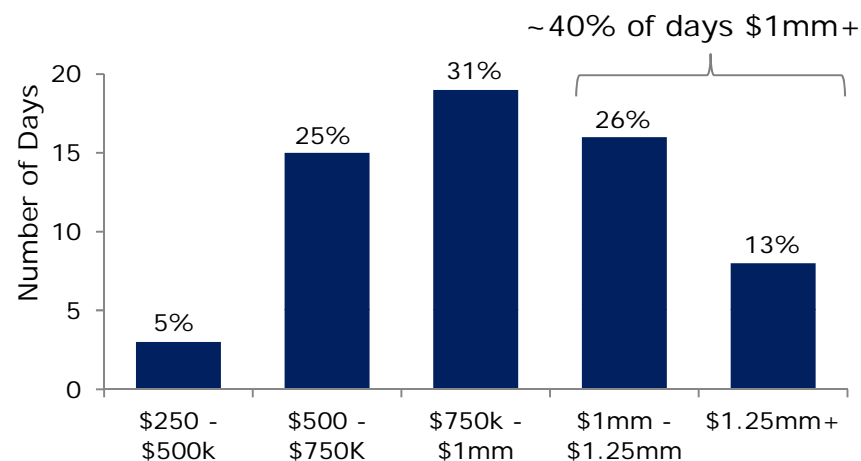


Fixed Income - FTN Financial

Solid Financial Results in Challenging Market Conditions

- Fixed income product average daily revenue (ADR) at \$944k in 1Q16, up 11% LQ and up 8% YOY
- Fixed income ADR increase driven by higher market volatility, decline in rates and strength and expansion of distribution platform
- Expenses up from higher variable compensation and seasonal FICA reset
- ROA at 1.3% and ROE at 21% in 1Q16¹
- Focused on investing in extensive fixed income distribution platform:
 - Strategic hires to increase market share
 - Expansion of municipal products platform
 - Continued development of public finance capability

1Q16 Daily Fixed Income Product Revenue



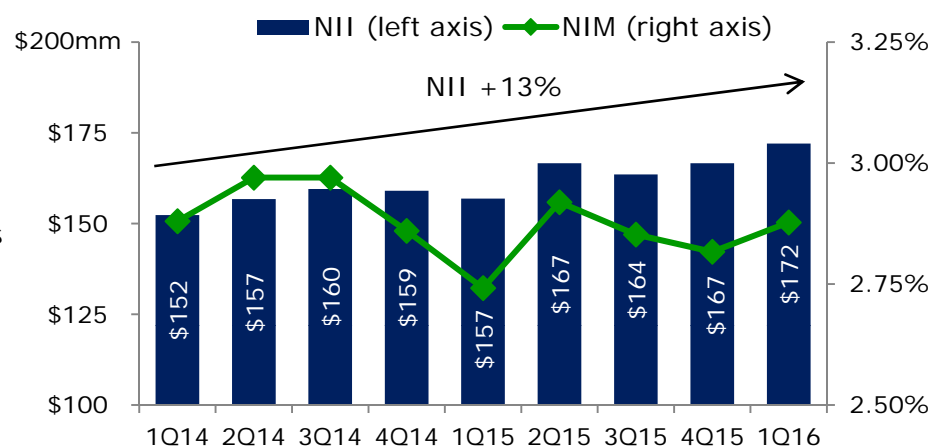
Financial Results	Actuals			1Q16 vs	
	1Q16	4Q15	1Q15	4Q15	1Q15
NII	\$3	\$4	\$4	-32%	-38%
Fee Income	\$67	\$62	\$62	+8%	+9%
Expense	\$59	\$55	\$55	+7%	+7%
Pretax Income	\$11	\$11	\$11	-1%	NM
Net Income	\$7	\$7	\$7	-1%	+4%
ADR	\$944k	\$850k	\$877k	+11%	+8%

Consolidated Net Interest Income and Net Interest Margin

Strong NII Growth and Margin Expansion

- NII up \$15mm or 10% YOY
- NIM at 2.88%, up 6 bps LQ and up 14 bps YOY
- Loan growth of 15% from 1Q14 to 1Q16
- Average core deposits up 2% LQ and 9% YOY
- Attractive and stable low-cost funding mix in Regional Banking with 59% DDA and interest checking deposits
- Regional Banking net interest spread up 6 bps LQ and 5 bps YOY
- Floating rate loans comprise 67% of loan portfolio vs fixed rate loans at 33%

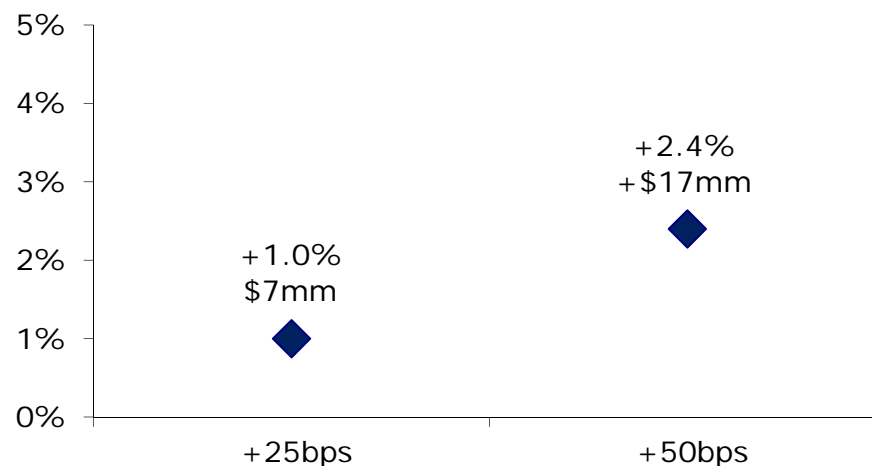
NIM Stability and Loan Growth Drive NII Increase



NII and NIM Linked-Quarter Change Drivers

(\$ in millions)	NII	NIM
4Q15	\$166.7	2.82%
Fed Rate Increase	+\$3.3	+6bp
Decrease in Long-term Debt	+\$2.3	+4bp
Increase in Securities Portfolio	+\$0.9	-1bp
Loan Fees / Cash Basis	-\$0.7	-1bp
Fed Stock Dividend Decrease	-\$0.7	-1bp
Higher Fed Balances	-	-1bp
Other	+\$0.2	-
1Q16	\$172.1	2.88%

Net Interest Income Sensitivity Impact¹



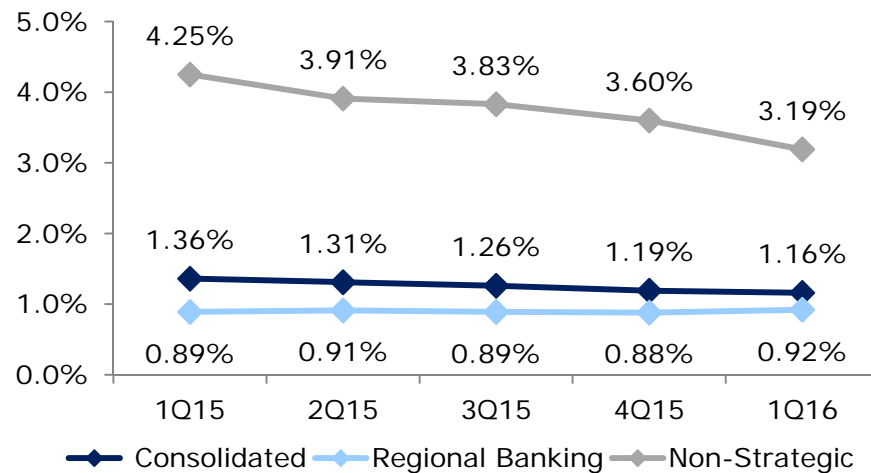
Asset Quality Trends

- Net charge-offs of \$9mm in 1Q16 vs \$2mm in 4Q15
 - 4Q15 included a single recovery of \$6mm in C&I; 1Q16 charge-offs were largely driven by one energy-related credit of \$6mm
- Non-Performing Assets at \$219mm in 1Q16 vs \$212mm in 4Q15
 - Increase due to an uptick in non-performing loans primarily from a couple of C&I credits, partially offset by declines in foreclosed assets
- 30+ delinquencies as a percentage of total loans at 54 bps in 1Q16 vs 42 bps in 4Q15
 - Increase largely within Regional Bank C&I portfolio, with half of these expected to be resolved favorably in early 2Q16

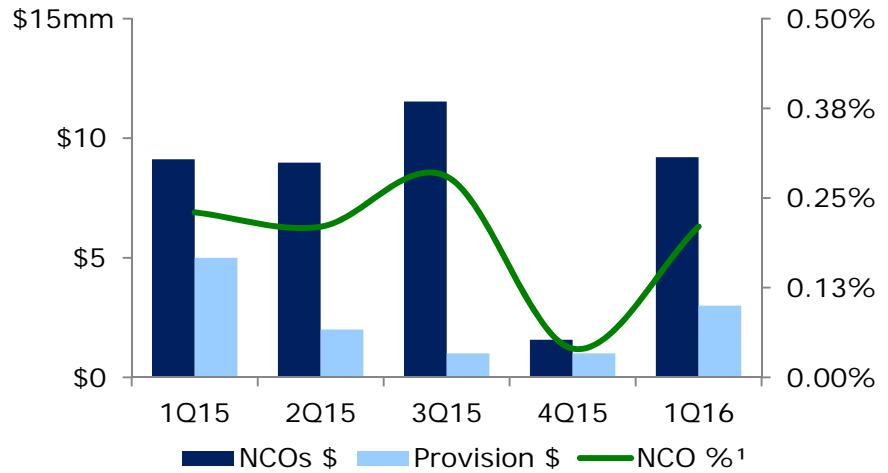
Asset Quality Highlights

(\$ in mm)	1Q15	2Q15	3Q15	4Q15	1Q16
Provision	\$5	\$2	\$1	\$1	\$3
Charge-offs	\$(18)	\$(19)	\$(22)	\$(17)	\$(18)
Recovery	\$9	\$10	\$10	\$15	\$8

Allowance to Loans Ratio by Segment

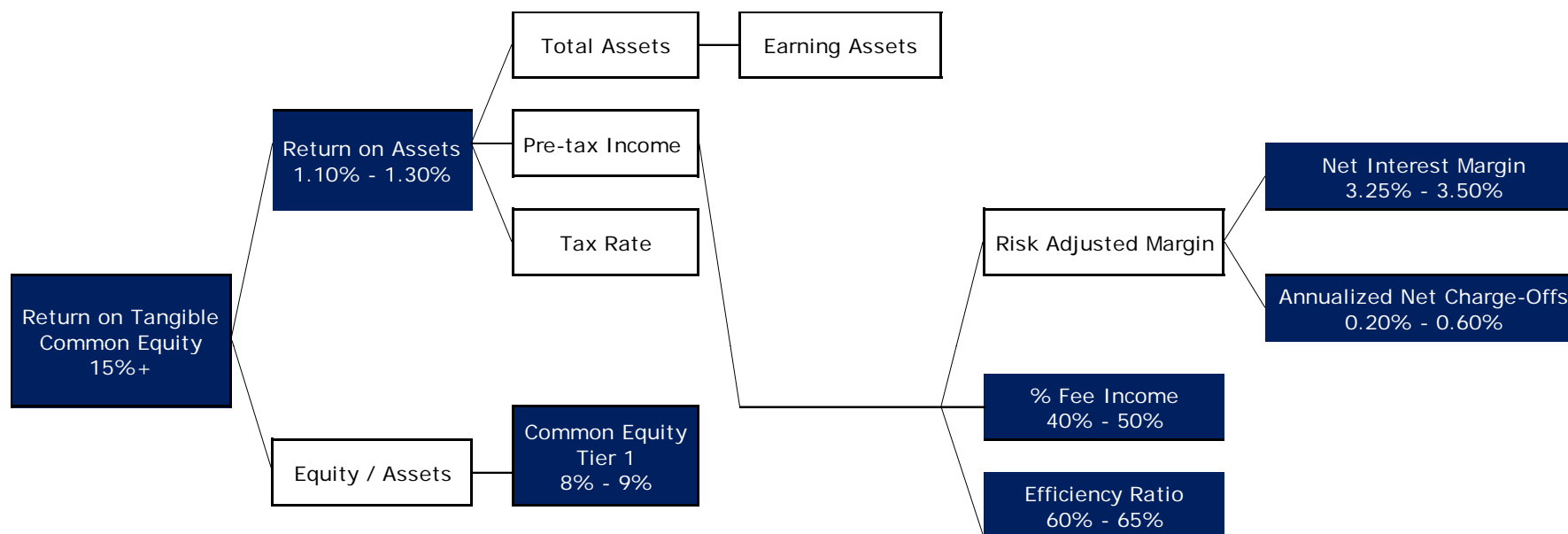


Net Charge-Offs



Building Long-Term Earnings Power: Bonefish Targets

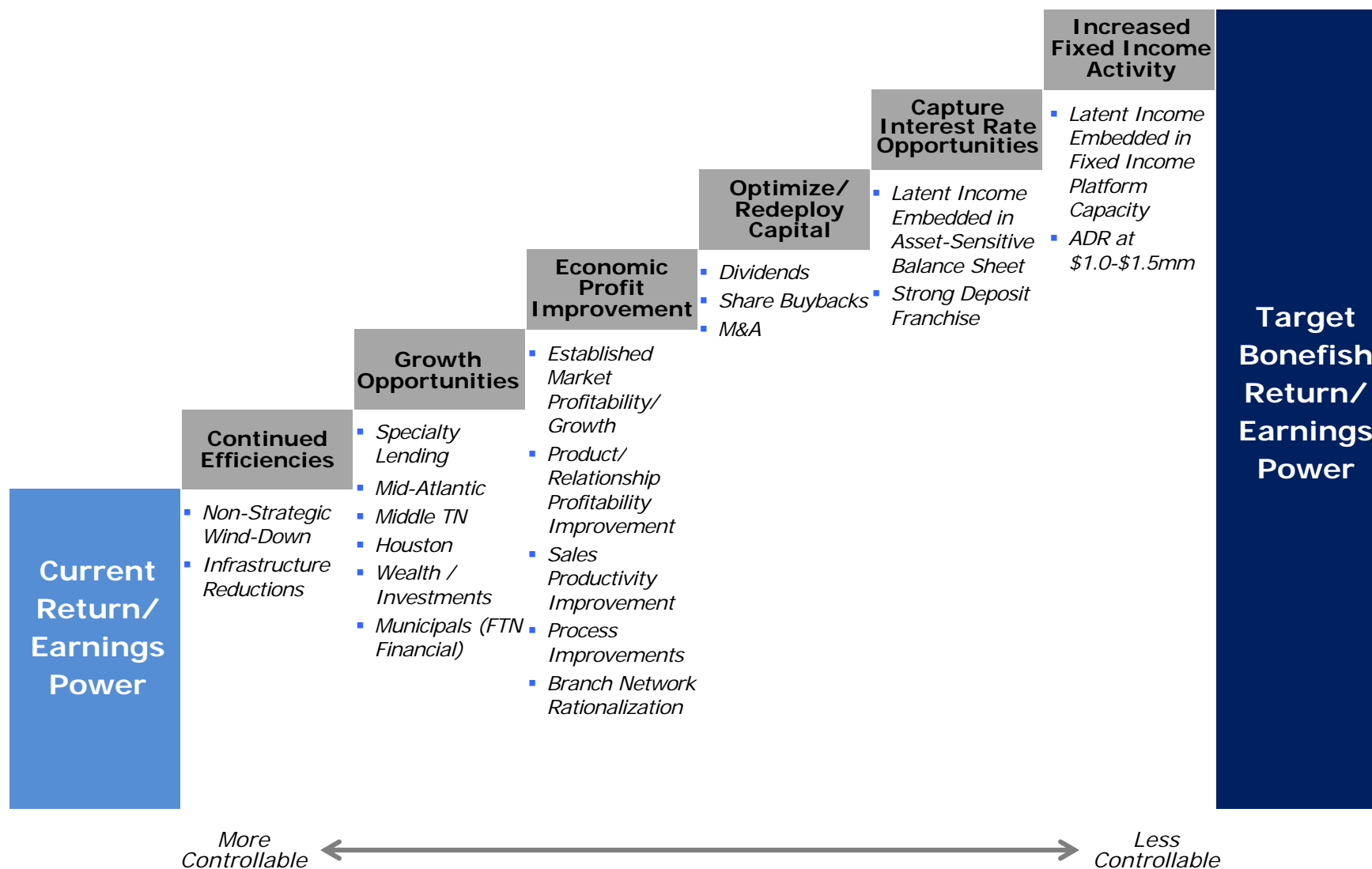
Focused on Growing Our Company Selectively and Profitably While Positioning Our Balance Sheet for Sustainable, Higher Returns in the Long Term



1Q16	Consolidated	Long-Term Targets
ROTCE ¹	9.4%	15.0%+
ROA ¹	0.79%	1.10 – 1.30%
CET1 ²	10.4%	8.0 – 9.0%
NIM ¹	2.88%	3.25 – 3.50%
NCO / Average Loans ¹	0.21%	0.20 - 0.60%
Fee Income / Revenue	44%	40 - 50%
Efficiency Ratio	74%	60 - 65%

Building Blocks Provide Path to Bonefish Targets

Building a Foundation for Long-Term Earnings Power



Successfully Executing on Key Priorities

FHN is Well Positioned for Attractive Long-Term Earnings Power

- Proven execution capabilities
- Unique size, scope, and strengths
- Focused on efficiency, productivity, economic profitability, and growth opportunities
- Organizational alignment on the path to achieving long-term bonefish profitability
- Breadth and depth of talent that will be able to profitably run and grow the company

Building a Foundation for Attractive Long-Term Earnings Power

APPENDIX

Notable Items

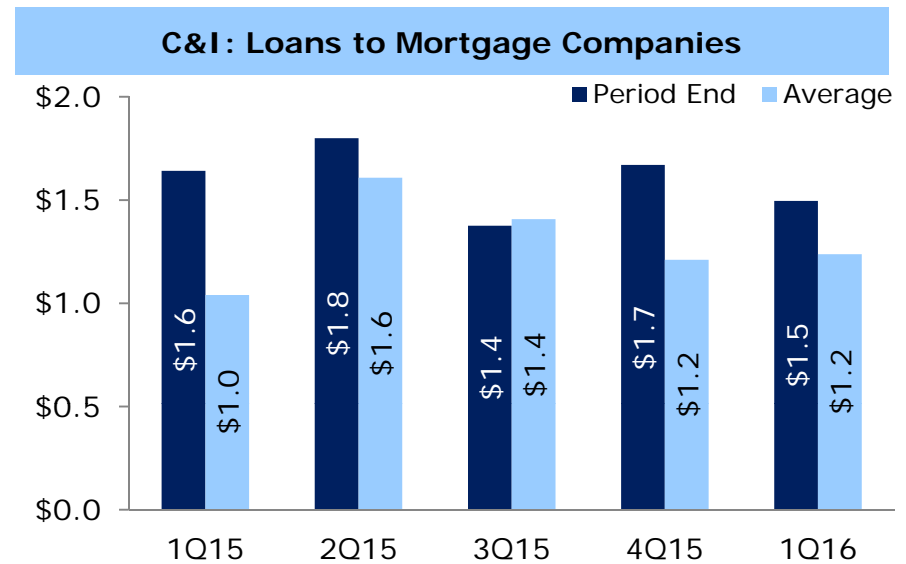
	2015 Notable Item	Pre-Tax Amount	2016 Notable Item	Pre-Tax Amount
1Q	Settlement with DOJ/HUD	\$(162.5)mm	Branch Impairment	\$(3.7)mm
	TrustAtlantic Acquisition Expenses ¹	\$(0.6)mm	TrustAtlantic Acquisition Expenses	\$(0.3)mm
2Q	TrustAtlantic Acquisition Expenses ¹	\$(1.1)mm		
3Q	Retirement of Trust Preferred Debt	\$5.8mm		
	Employee Benefit Plan Amendment	\$8.3mm		
	Litigation Expense ²	\$(11.6)mm		
	TrustAtlantic Acquisition Expenses ¹	\$(0.6)mm		
	Discrete Tax Benefit / Capital Loss Carryover	N/A		
4Q	Litigation Accrual ³	\$(14.2)mm		
	Impairment Related to Tax Credit Investment	\$(2.8)mm		
	TrustAtlantic Acquisition Expenses	\$(2.7)mm		
	Discrete Tax Benefits	N/A		
	Total Pre-Tax Effect of Notable Items	\$(182.0)mm	Total Pre-Tax Effect of Notable Items	\$(4.0)mm
	After-Tax Impact of Notable Items ⁴	\$(111.4)mm	After-Tax Impact of Notable Items ⁴	\$(2.8)mm
	EPS Impact of Notable Items ⁵	\$(0.47)	EPS Impact of Notable Items ⁵	\$(0.01)

1Q16 Credit Quality Summary by Portfolio

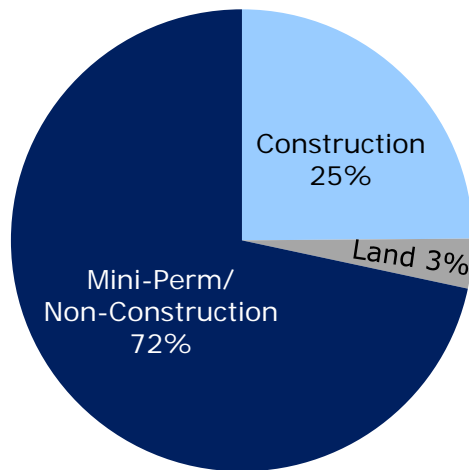
	Regional Banking					Corporate ⁴	Non-Strategic				FHNC Consol
(\$ in millions)	Commercial (C&I & Other)	CRE	HE & HELOC	Other ¹	Total	Permanent Mortgage	Commercial (C&I & Other)	HE & HELOC	Permanent Mortgage	Other ²	Total
Period End Loans	\$9,818	\$1,849	\$3,531	\$372	\$15,570	\$92	\$421	\$1,160	\$322	\$10	\$17,575
30+ Delinquency	0.37%	0.18%	0.46%	1.18%	0.39%	3.66%	0.23%	1.91%	2.22%	1.23%	0.00%
Dollars	\$36	\$3	\$16	\$4	\$60	\$3	\$1	\$22	\$7	\$0	\$94
NPL %	0.36%	0.51%	0.76%	0.28%	0.46%	1.00%	0.83%	7.52%	8.95%	7.70%	1.10%
Dollars	\$35	\$9	\$27	\$1	\$72	\$1	\$3	\$87	\$29	\$1	\$194
Net Charge-offs ³ %	0.24%	0.10%	0.06%	2.82%	0.24%	NM	0.03%	0.21%	NM	NM	0.21%
Dollars	\$6	\$0	\$1	\$3	\$9	NM	\$0	\$1	-\$1	\$0	\$9
Allowance	\$79	\$26	\$27	\$11	\$143	NM	\$1	\$41	\$18	\$0	\$204
Allowance / Loans %	0.81%	1.39%	0.75%	3.06%	0.92%	NM	0.34%	3.51%	5.70%	4.63%	1.16%
Allowance / Charge-offs	3.48x	14.23x	11.78x	1.10x	3.84x	NM	NM	16.09x	NM	NM	5.51x

Select C&I and CRE Portfolio Metrics

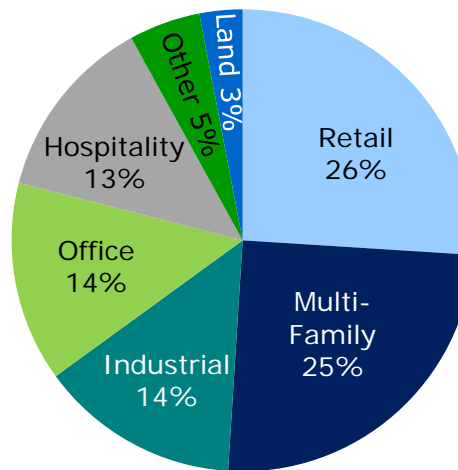
- \$10.2B C&I portfolio, diversified by industry
- \$1.8B CRE portfolio, diversified by geography, comprising 11% of period-end consolidated loans
- Commercial (C&I and CRE) net charge-offs were \$6.2mm for the quarter
 - Gross charge-offs were \$7.2mm with recoveries of \$1.0mm



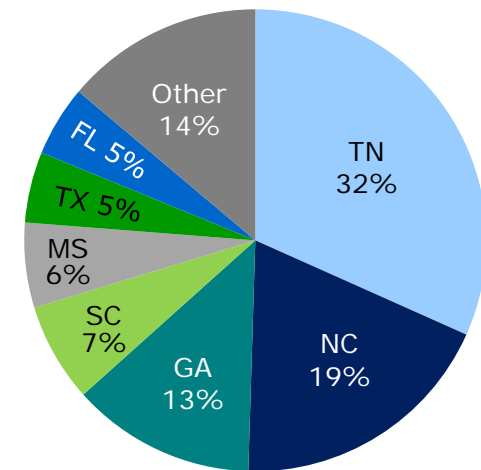
CRE: Loan Type



CRE: Collateral Type



CRE: Geographic Distribution

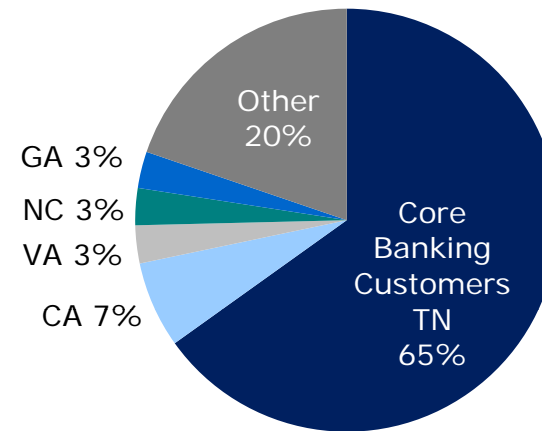


Consumer Portfolio Overview

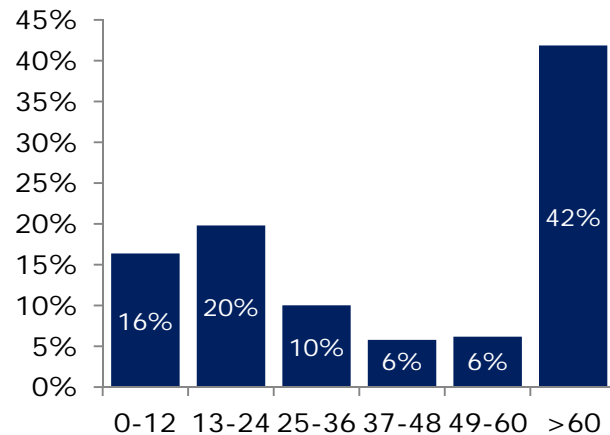
Home Equity Portfolio Characteristics

	First	Second	Total
Balance	\$3.0B	\$1.7B	\$4.7B
Original FICO	754	736	748
Refreshed FICO	755	715	744
Original CLTV	78%	81%	79%
Full Doc	95%	76%	88%
Owner Occupied	95%	94%	95%
HELOCs	\$0.6B	\$1.4B	\$2.0B
Weighted Average HELOC Utilization	45%	54%	52%

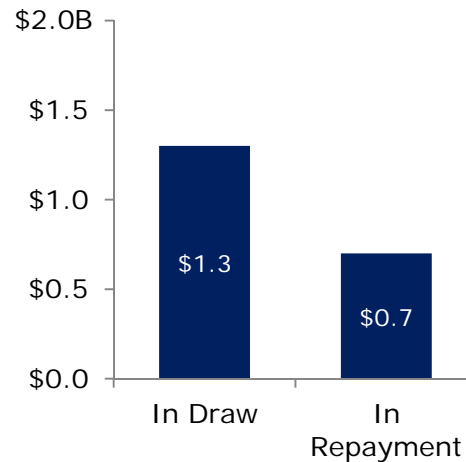
Home Equity Geographic Distribution



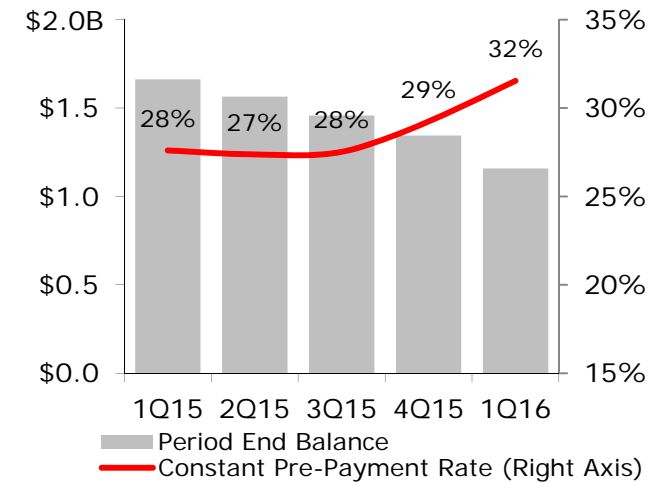
Percent of Home Equity Portfolio: Months Left in Draw Period



HELOC Draw vs Repayment Balances



Non-Strategic Consumer Real Estate Run-Off

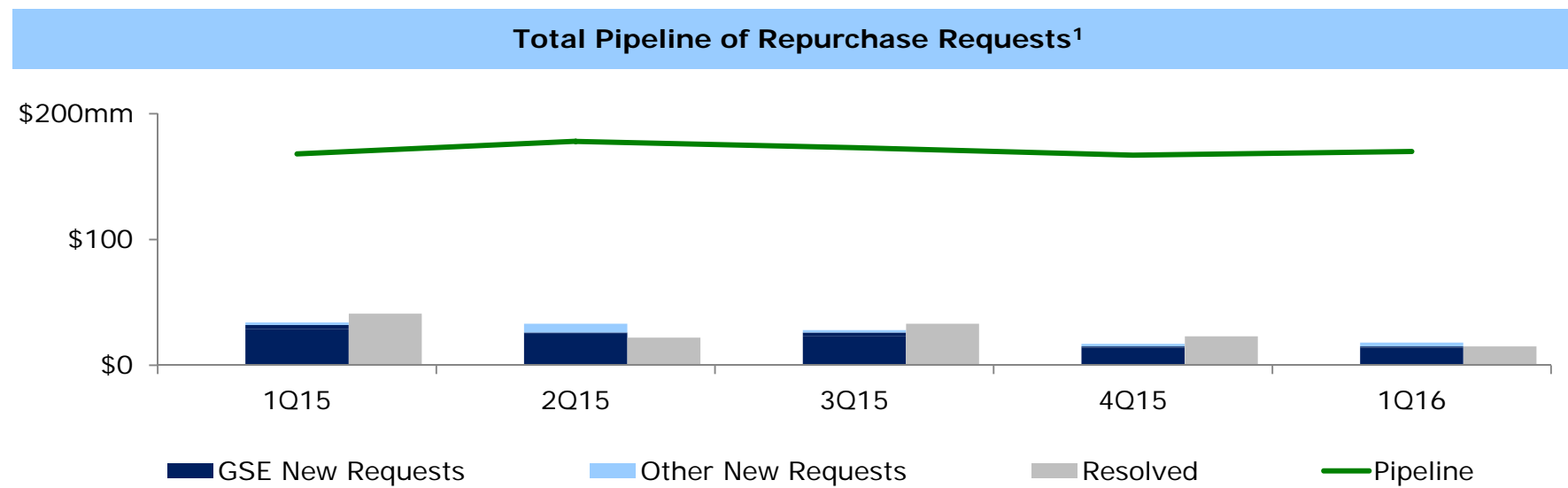


Agency & Non-Agency Update

Repurchase Resolution Agreements with Both GSEs

	Mortgage Repurchase Reserve					Other Whole Loan Sales and Non-Agency
(\$ in millions)	1Q15	2Q15	3Q15	4Q15	1Q16	
Beginning Balance	\$119	\$116	\$117	\$115	\$115	<ul style="list-style-type: none"> Represent 44% of all active repurchase/make whole requests in 1Q16 pipeline Some non-Agency FHN loans were bundled with other companies' loans and securitized by the purchasers <ul style="list-style-type: none"> A trustee for a bundler has commenced a legal action seeking repurchase of FHN loans Certain purchasers have requested indemnity related to FHN loans included in their securitizations
Net Realized Losses	\$(3)	\$0	\$(2)	\$(0)	\$(1)	
Provision	\$0	\$0	\$0	\$0	\$0	
Ending Balance	\$116	\$117	\$115	\$115	\$114	

Net realized losses of \$0 in 2Q15 due to ~\$3mm in mortgage insurance rescission recoveries. 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 expense and adjusted net income available to common. That 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			
Average Total Equity (GAAP)			1Q16
			\$2,644
Less: Average Noncontrolling Interest (GAAP)			\$295
Less: Preferred Stock (GAAP)			\$96
Average Common Equity (GAAP)			\$2,253
Less: Average Intangible Assets (GAAP)			\$217
Average Tangible Common Equity (Non-GAAP)			\$2,036
Net Income Available to Common (GAAP)			\$48
Annualized Return on Average Tangible Common Equity (Non-GAAP)			9.4%
Adjusted Net Income Available to Common Shareholders			
	1Q16	4Q15	1Q15
Consolidated Pre-Tax Income/Loss (GAAP)	\$76	\$54	-\$95
Plus: Notable Items (GAAP)	\$4	\$20	\$163
Adjusted Consolidated Pre-tax Income (Non-GAAP)	\$80	\$74	\$68
Less: Adjusted Tax ¹ (Non-GAAP)	\$26	\$19	\$22
Less: Net Income Attributable to Noncontrolling Interest (GAAP)	\$3	\$3	\$3
Less: Preferred Stock Dividends (GAAP)	\$2	\$2	\$2
Adjusted Net Income Available to Common Shareholders (Non-GAAP)	\$51	\$51	\$42
Adjusted Noninterest Expense			
	1Q16	4Q15	1Q15
Total Noninterest Expense (GAAP)	\$227	\$244	\$376
Less: Notable Items (Non-GAAP)	\$4	\$20	\$163
Adjusted Noninterest Expense (Non-GAAP)	\$223	\$224	\$213
			YOY Change
			-40%
			5%