



First Horizon National Corporation

Goldman Sachs U.S. Financial Services Conference

December 5, 2017

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- *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.*
 - *Certain measures included in this presentation are “non-GAAP,” meaning (under U.S. financial reporting rules) they are not presented in accordance with generally accepted accounting principles (“GAAP”) in the U.S. and also are not codified in the U.S. banking regulations currently applicable to FHN. Although other entities may use calculation methods that differ from those used by FHN for non-GAAP measures, FHN’s management believes such measures are relevant to understanding the financial condition, capital position, and financial results of FHN and its business segments. Non-GAAP measures are reported to FHN’s management and directors through various internal reports. The non-GAAP measures presented in this presentation include: adjusted earnings per share (“EPS”); return on average tangible common equity (“ROTCE”); adjusted ROTCE; adjusted return on average assets (“ROA”); economic profit (“EP”) and adjusted efficiency ratio. Reconciliations of non-GAAP to GAAP measures and presentation of the most comparable GAAP items are presented at the end of the Appendix.*
 - *In addition, certain measures, which follow regulatory definitions rather than GAAP, are used by the various banking regulators in reviewing the financial institutions they regulate. Regulatory measures used in this presentation include: risk-weighted assets (“RWA”), which is a measure of total on- and off-balance sheet assets adjusted for credit and market risk used to determine regulatory capital ratios; common equity tier 1 capital (“CET1”), generally defined as common equity less goodwill, other intangibles, and certain other required regulatory deductions; tier 1 capital, generally defined as the sum of core capital (including common equity and instruments that cannot be redeemed at the option of the holder) adjusted for certain items under risk based capital regulations; and (“PPNR”), calculated by adding the provision/(provision credit) for loan losses to income before income taxes.*

Executive Summary

- Building sustainable, high-value franchise driving strong returns on capital
- Optimistic about current operating environment and our ability to continue earnings power growth
- Recent quarterly results reflect strong progress in executing Bonefish strategy
- Combination with Capital Bank is a watershed moment
- Significant upside to initial merger projections
 - Net cost saves expected at \$85mm vs \$65mm originally announced, including strategic investments
 - Incremental revenue opportunities identified and will be executed upon
- Combination anticipated to accelerate achievement of Bonefish targets to 2019

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: \$30B
- Market Cap: \$6.5B

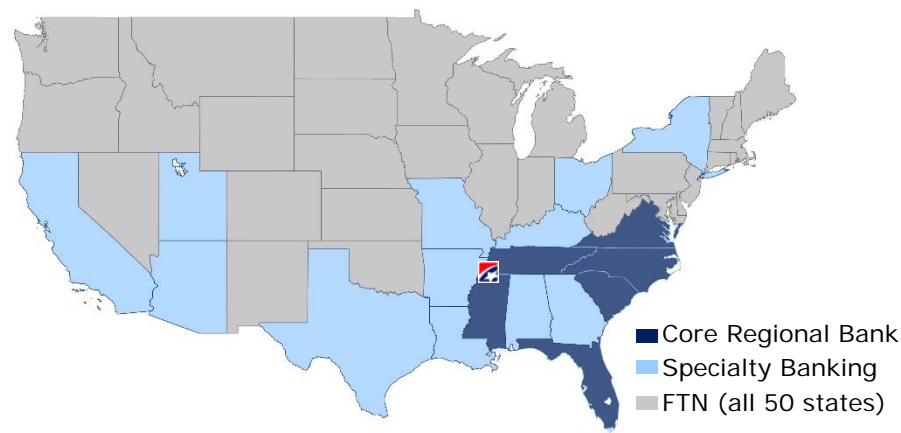
Solid Market Position

- 4th largest regional bank in the Southeast
- Over 800k customers
- #1 deposit market share in TN
- 96% customer retention in TN
- FTN Financial serves over 4500 clients across all 50 states

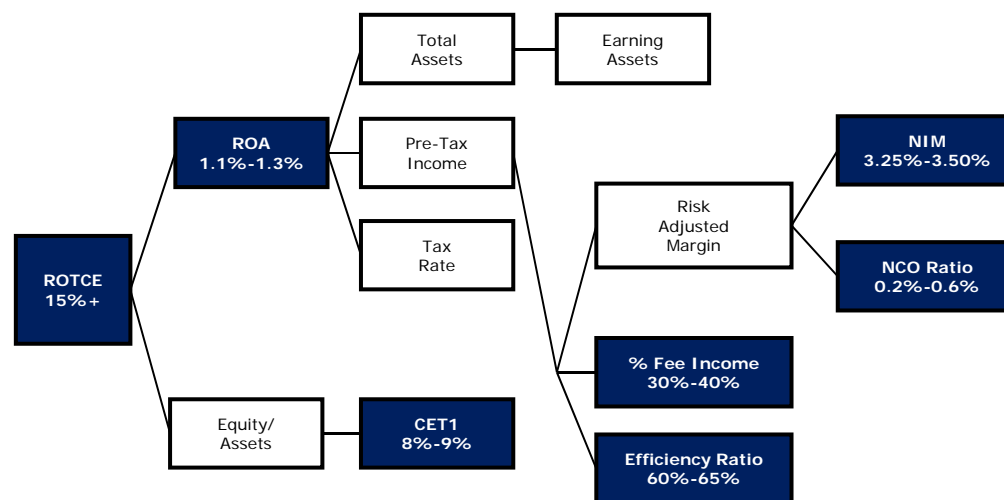
Differentiated Business Strategy

- Strong core businesses
- Niche specialty lending areas
- Clear and consistent Bonefish strategy

Strong Regional Banking Footprint



Bonefish Targets Drive Decision Making



FHN Built to Succeed in Current Environment

Business Outlook Mixed with Generally Positive Bias

Economy & Monetary/ Fiscal Policy

- Slow and steady economic growth continues
- Credit environment remains stable
- Continued accommodative monetary policy
- Recent regulatory dialogue encouraging

Competition

- Significant loan competition
- Rational deposit pricing to-date
- Strategic growth opportunities available

Technology

- Customer behavior shift requires evolution of products and delivery
- Investing in technology and people

**Our
Business
Model is
Adaptable,
Balanced,
and Built
for Growth**

Building Franchise Strength Over the Last Five Years

Focus on Core Business Growth, Strategic Expansion and Strong Returns

Strong Balance Sheet Growth

2012
Avg Loans:
\$15.7B

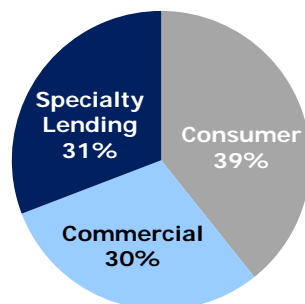
3Q17
Avg Loans:
\$19.3B

**+23%
Growth**

Commercial & Specialty Lending Focus

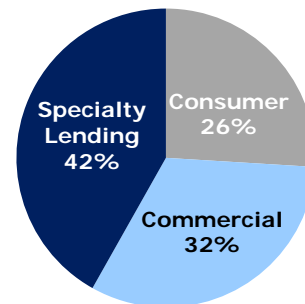
3Q12 Avg

Loans:



3Q17 Avg

Loans:



Share Buybacks & Dividends

**Reduced Share Count
by 9% (\$12.53 VWAP)**

**Increased quarterly
dividend 4 times**

\$0.01 → \$0.09

Improving Deposits / Branch

2012
Deposits/
Branch:
\$94.3mm

3Q17
Deposits/
Branch:
\$137.8mm

**+46%
Growth**

Strengthening Efficiency Ratio

2012 Regional
Bank Efficiency
Ratio:
69%

YTD17 Regional
Bank Efficiency
Ratio:
58%

**~1100bps
Reduction**

Strategic M&A

7 Acquisitions Since 2012:

- Mountain National Bank
- 13 Bank Branches Acquisition
- TrustAtlantic
- Franchise Finance Portfolio
- Coastal Securities
- Capital Bank Financial
- PMC Inc.

FHN Bonefish Strategy – Controlling What We Can Control

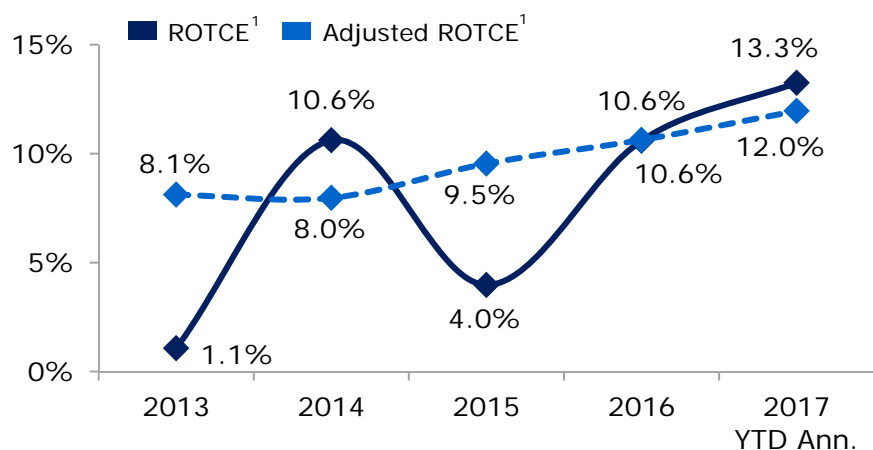
Sustainable, Profitable Growth Leading to Stronger Returns

Bonefish Focus Key to Continued Success

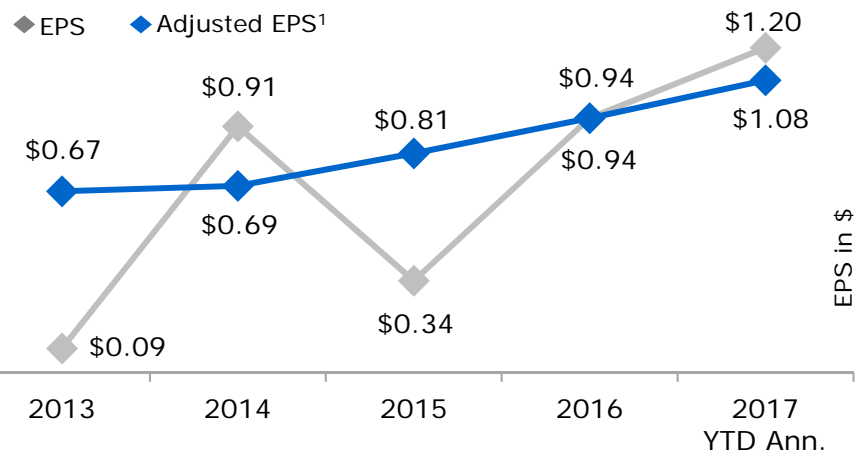
- Bonefish strategy leverages key drivers of ROTCE to build franchise value and earnings power
 - Balance sheet growth
 - Core deposit focus
 - Expense control
 - Prudent capital deployment

- Economic profit and RAROC focus drives loan mix shift to higher-return specialty areas

Bonefish Focus Translates to Higher ROTCE¹



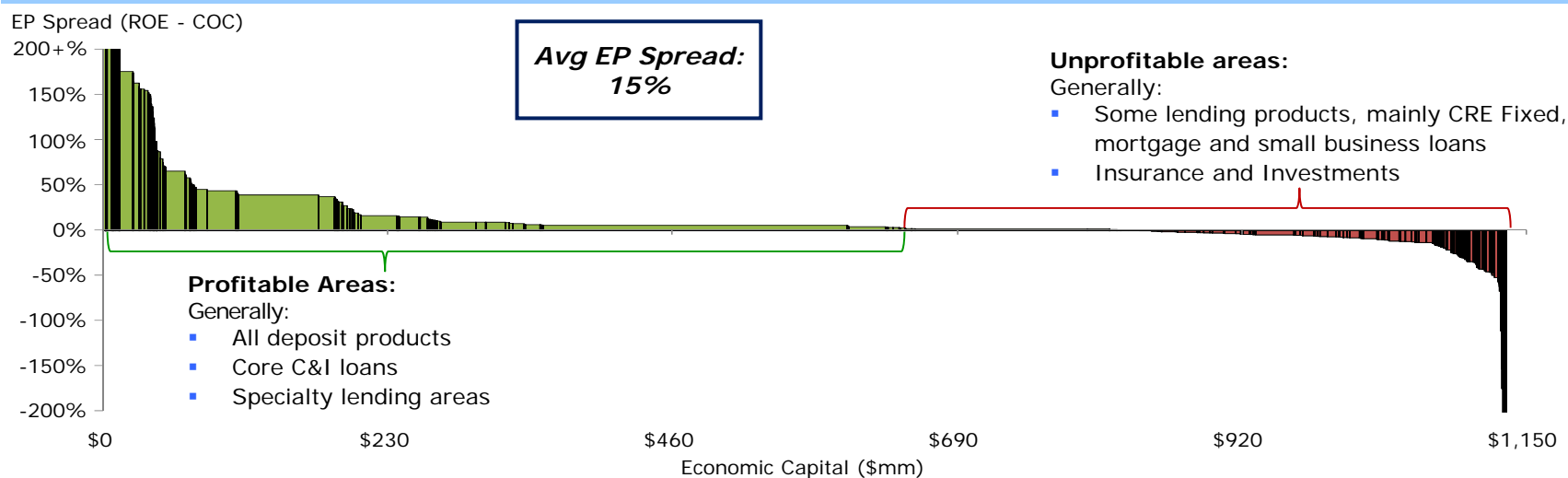
Bonefish Focus Leads to Earnings Growth



Economic Profit Focus Delivering Results in Regional Bank

Applying Bonefish Concept to New Markets

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



Cultural Benefits of Return/EP Focus

- Increased organizational awareness of profit drivers
- Business mix shift to more profitable activities and larger, deeper relationships
- Higher focus on risk-adjusted profitability and capital usage, particularly for lending activities
- Better identification of new business opportunities (franchise finance, specialty healthcare, etc.)

Economic Profit Focus Delivering Results in Regional Bank

Applying Bonefish Concept to New Markets

EP Focus Driving Growth in Regional Banking

- Economic profit focus drives growth in Regional Banking ROE and PTI
- Percentage profitable products and relationships have all increased
- Will apply Bonefish concepts and profitability tools to new CBF markets

Key Metrics Regional Bank (\$ in mm)	2013	2017	Growth %
Loans (Period End)	\$12.2B	\$18.8B	54%
Deposits (Period End)	\$15.5B	\$20.1B	30%
Economic Capital	\$1.05B	\$1.14B	8%

% Profitable	2013	2017
Products	67%	80%
Commercial Relationships	~60% ²	65%
Consumer Relationships	~30% ²	40%

2013 ROE: **18%** → 2017 YTD ROE¹: **25%**

~700bps Improvement in ROE Since 2013

2013 Pre-Tax Income: **\$294mm** → 2017 YTD Ann. Pre-Tax Income¹: **\$440mm**

50% Improvement in Pre-Tax Income Since 2013

2013 Economic Profit: **\$83mm** → 2017 YTD Ann. Economic Profit¹: **\$169mm**

103% Improvement in Economic Profit Since 2013

Momentum Strong Heading into Capital Bank Combination

Well-Positioned for Further Growth

Reported EPS / Adj. EPS¹

\$0.28 / \$0.32

ROA / Adj. ROA^{1,2}

0.99% / 1.08%

ROTCE / Adj. ROTCE^{1,2}

12.2% / 13.5%

3Q17 Highlights

- **Good Business Momentum and Higher Returns**
 - EPS up 4%, Adjusted EPS up 22%¹
 - ROTCE up 27 bps, Adjusted ROTCE up 205 bps^{1,2}
 - ROA up 2 bps, Adjusted ROA up 15 bps^{1,2}
 - Efficiency Ratio at 73.5%, Adjusted Efficiency Ratio at 65.5%¹
- **Strong Loan, Deposit and Net Interest Income Growth**
 - Total average commercial loans up 11%; average noninterest-bearing deposits up 9%
 - Net interest income up 13%
 - Net interest margin at 3.19%, up 23 bps
- **Regional Banking Growth and Positive Operating Leverage Continue**
 - PPNR up 11%³; Revenue up 7%
 - Average loans up 9%; Average deposits up 8%
 - Efficiency ratio improved to 55%
 - Maintains #1 deposit market share in Tennessee; deposit growth outpaces overall market

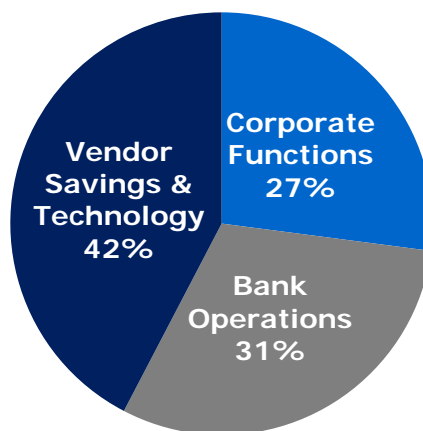
Significant Upside to Initial Merger Projections

New Savings Goal & Revenue Synergies Accelerate Bonfish Achievement

Savings Target 40% of CBF Expense Base

- New target of \$85mm of net cost savings
- Significant increase from original goal of \$65mm (30% of CBF expense base)
- Includes \$7mm of strategic investments and dis-synergies

Savings Breakdown



Long-Term Bonfish Targets

	First Horizon Long-Term Targets
ROTCE	✓ 15.0%+
ROA	✓ 1.1–1.3%
CET1	✓ 8.0–9.0%
NIM	✓ 3.25–3.50%
Fee Income / Revenue	✓ 30-40%
Efficiency Ratio	✓ 60–65%

Additional Revenue Opportunities Will Be Executed Upon

Commercial

- Sell full product suite across larger client base
 - Expanded treasury management services and clients
- Bigger balance sheet with higher lending capacity
- Organic growth from expanded geographic opportunity

Consumer

- Increase branch deposit gathering efficiency in CBF network
- Introduce private client / wealth management services to CBF network
- Expand CBF mortgage platform in core FHN markets
- Achieve peer-level credit card penetration

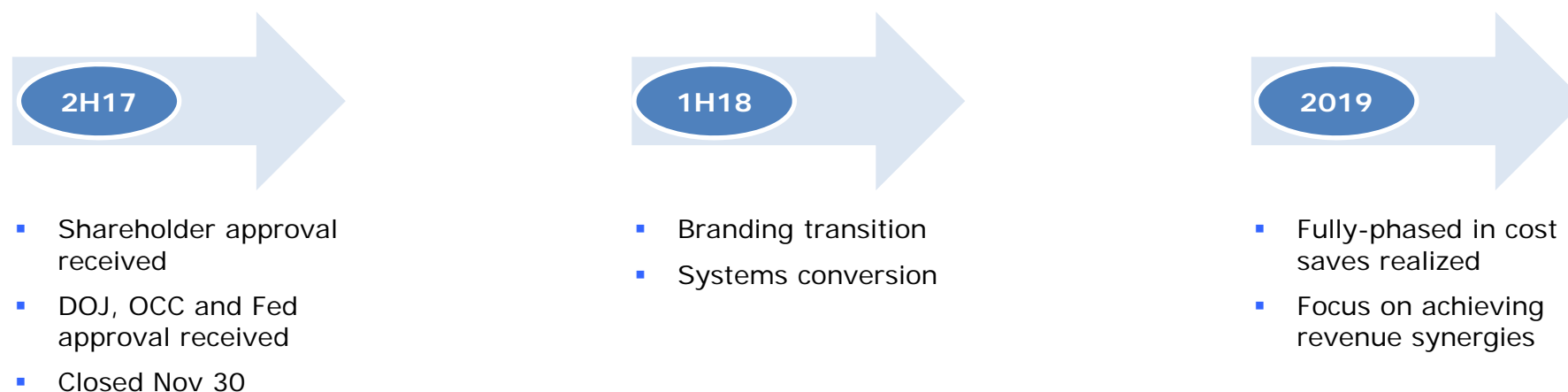
CBF Combination Closed November 30

2018 Focus on Successful Integration

Both Organizations Poised for Effective Merger Integration

- Transaction closed Nov 30 (7 months from announcement to close)
- Focus on seamless transition, with branding and systems conversion completed in 1H18
- Target operating models developed for all lines of business and support functions
- Talent from both organizations identified for top three tiers of the combined organization
- Leveraging success of 13 combined prior acquisitions

Key Merger Activities Timeline



The New First Horizon

A Top Tier Regional Bank with Further Growth Opportunities

Size and Scope

- 4th largest regional bank in the Southeast
- #1 deposit market share in TN
- Total Assets of \$40B
- FTN Financial serves clients in all 50 states

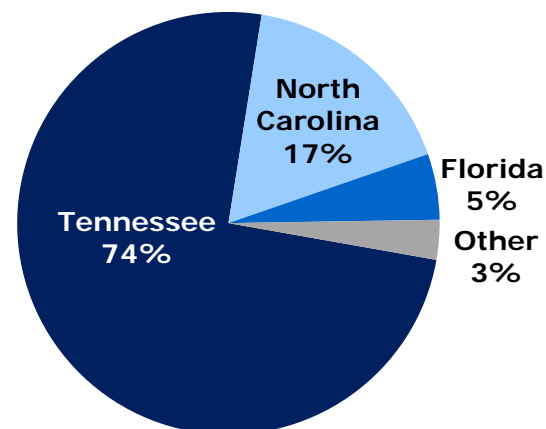
Compelling Market Approach

- Efficient deposit gathering
- Solid core funding
- Niche specialty lending businesses
- Relationship-based service model
- Access to high growth markets in NC, SC and South FL
- Attractive business mix and market profile

Differentiated Business Strategy

- Strong core businesses
- Niche specialty lending areas
- Clear and consistent Bonefish strategy

Strong Deposit Base with Opportunities for Growth



The New FHN

- *Large Bank Capabilities*
- *Relationship-Based Service Model*
- *Focus on Economic Profit*

Executive Summary

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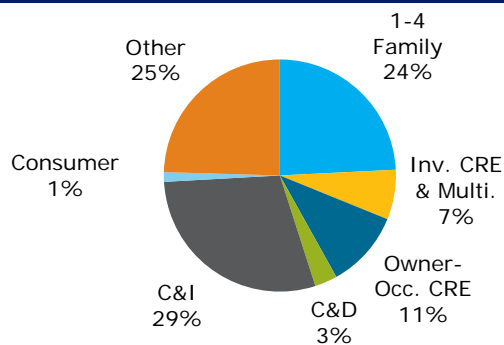
APPENDIX

Pro Forma Loan & Deposit Composition

Complementary Portfolio Mixes

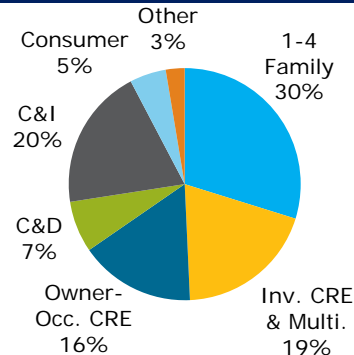
Pro Forma Loan Composition

First Horizon



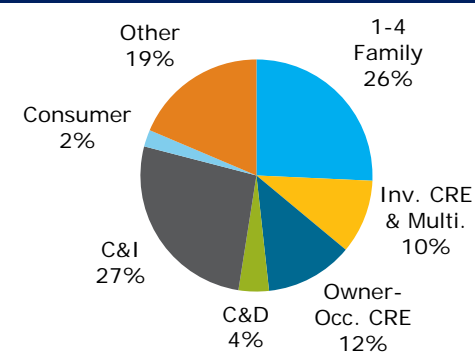
Balance: \$20,506mm
Yield: 4.20%

Capital Bank



Balance: \$7,610mm¹
Yield: 4.73%

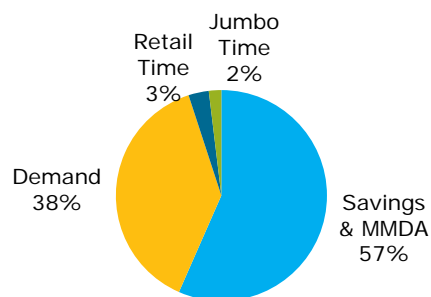
Pro Forma



Balance: \$28,116¹
Yield: 4.34%

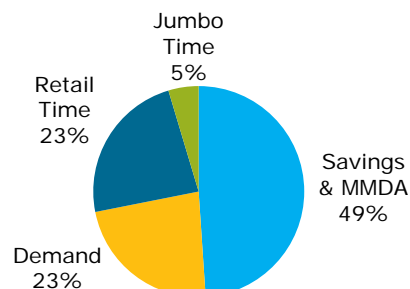
Pro Forma Deposit Composition

First Horizon



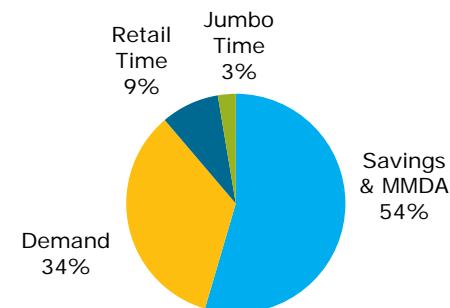
Balance: \$22,099mm
Cost: 0.37%

Capital Bank



Balance: \$8,088mm¹
Cost: 0.49%

Pro Forma



Balance: \$30,187mm¹
Cost: 0.40%

Loans / Deposits
Ratio : 93%

Loans / Deposits
Ratio : 94%

Loans / Deposits
Ratio : 93%

Reconciliation to GAAP Financials

Slides in this presentation use non-GAAP information of return on tangible common equity and segment earnings per share. 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 (ROTCE)	3Q17	2017¹	2016	2015	2014	2013
Average Total Equity (GAAP)	\$2,867	\$2,790	\$2,691	\$2,581	\$2,592	\$2,519
Less: Average Noncontrolling Interest (GAAP)	\$295	\$295	\$295	\$295	\$295	\$295
Less: Preferred Stock (GAAP)	\$96	\$96	\$96	\$96	\$96	\$88
Average Common Equity (GAAP) (a)	\$2,476	\$2,399	\$2,300	\$2,190	\$2,201	\$2,136
Less: Average Intangible Assets (GAAP)	\$281	\$258	\$215	\$183	\$163	\$162
Average Tangible Common Equity (Non-GAAP) (b)	\$2,195	\$2,141	\$2,086	\$2,007	\$2,038	\$1,974
Annualized Net Income Available to Common (GAAP) (c)	\$267	\$284	\$221	\$80	\$216	\$21
Return on Average Common Equity (ROE) (GAAP) (c/a)	10.8%	11.8%	9.6%	3.6%	9.8%	1.0%
Return on Average Tangible Common Equity (ROTCE) (Non-GAAP) (c/b)	12.2%	13.3%	10.6%	4.0%	10.6%	1.1%
Adjusted Net Income Available to Common / Earnings Per Share						
Net Income Available to Common (GAAP)	\$67	\$212	\$221	\$80	\$216	\$21
Plus: Tax-Affected Notable Items (GAAP) ²	\$7	(\$21)	\$1	\$112	(\$54)	\$139
Adjusted Net Income Available to Common (Non-GAAP)	\$74	\$191	\$222	\$191	\$162	\$160
Divided: Average Common Diluted Shares (GAAP)	236	236	235	236	237	240
Adjusted Earnings Per Share (Non-GAAP)	\$0.32	\$1.08	\$0.94	\$0.81	\$0.69	\$0.67
Adjusted Return on Tangible Common Equity (ROTCE)						
Annualized Adjusted Net Income Available to Common (Non-GAAP)	\$295	\$256	\$222	\$191	\$162	\$160
Average Tangible Common Equity (Non-GAAP)	\$2,195	\$2,141	\$2,086	\$2,007	\$2,038	\$1,974
Adjusted Return on Tangible Common Equity (Non-GAAP)	13.5%	12.0%	10.6%	9.5%	8.0%	8.1%
Adjusted Return on Assets						
Net Income (GAAP)	\$72	\$225	\$239	\$97	\$234	\$38
Plus: Tax-affected Notable Items (GAAP) ²	\$7	(\$21)	\$1	\$112	(\$54)	\$139
Annualized Adjusted Net Income (Non-GAAP)	\$313	\$274	\$239	\$209	\$180	\$178
Average Total Assets (GAAP)	\$28,875	\$28,853	\$27,427	\$25,636	\$23,993	\$24,400
Adjusted Return on Assets (Non-GAAP)	1.08%	0.95%	0.87%	0.82%	0.75%	0.73%
Adjusted Efficiency Ratio						
Adjusted Noninterest Expense (Non-GAAP)	\$221					
Adjusted Revenue Excluding Securities Gains (Non-GAAP)	\$337					
Adjusted Efficiency Ratio (Non-GAAP)	65.5%					

Notable Items – 2016 and 2017

	2016	Pre-Tax Amount	2017	Pre/After Tax Amount ³
1Q	Branch Impairment	\$(3.7)mm	None	
2Q	Mortgage Repurchase Reserve Release	\$31.4mm	Mortgage Repurchase Reserve Release	\$20.0mm
	Valuation Adjustment for Derivatives Related to Prior Sales of Visa Class B Shares	\$(2.5)mm	Acquisition Expense	\$(6.4)mm
	Litigation Accrual ¹	\$(26.0)mm	Effective tax rate adjustment associated with reversal of a capital loss deferred tax valuation allowance	\$19.5mm
3Q	Gain Primarily Related to Recoveries Associated with Prior Mortgage Servicing Sales	\$4.4mm	Loss on equity securities repurchase	\$(14.3)mm
	Litigation Accrual ¹	\$(4.5)mm	Acquisition Expenses	\$(8.2)mm
	Litigation Accrual Reversal ²	\$4.3mm	Legal Matters ¹	\$(8.2)mm
			Tax rate adjustments primarily associated with the reversal of a capital loss deferred tax valuation allowance and certain discrete period items	\$13.7mm
4Q	Litigation Accrual ¹	\$(4.7)mm		

Notable Items – 2014 and 2015

	2014 Notable Item	Pre-Tax Amount	2015 Notable Item	Pre-Tax Amount
1Q	Previously Unrecognized Servicing Fees Associated with the MSR Sale	\$20.0mm	Settlement with DOJ/HUD	\$(162.5)mm
	Securities Gain on an Equity Investment	\$5.6mm		
	Lease Abandonment & Other Restructuring Charges	(\$5.7)mm		
	Net Impact from Resolution/ Collapse of On-Balance Sheet Consumer Securitizations	(\$6.4)mm		
2Q	Litigation Expense Recovery	\$47.1mm	TrustAtlantic Acquisition Expenses ¹	\$(1.1)mm
	Held-for-Sale (Primarily NPL) Portfolio Valuation Adjustment	\$8.2mm		
3Q	Gains on Sales of Held-for-Sale Loans in Non-Strategic Portfolio	\$39.7mm	Retirement of Trust Preferred Debt	\$5.8mm
	Loss Accruals Related to Legal Matters	\$(50.0)mm	Employee Benefit Plan Amendment	\$8.3mm
	Litigation Expense Recovery	\$15.0mm	Litigation Expense ²	\$(11.6)mm
	Net Loss Accruals Related to Legal Matters	\$(35.0)mm	TrustAtlantic Acquisition Expenses ¹	\$(0.6)mm
4Q	None		Discrete Tax Benefit / Capital Loss Carryover	N/A
			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

Notable Items – 2013

	2013	Pre-Tax Amount
1Q	Restructuring Charges	\$(1.2)mm
	Legal Accrual	\$(5.2)mm
2Q	Restructuring Charges	\$(0.7)mm
	Acquisition Costs	\$(0.5)mm
	Net Legal Recovery	\$0.1mm
3Q	Restructuring Charges	\$(1.2)mm
	Acquisition Costs	\$(2.3)mm
	Loss Related to Visa Shares Sales Derivatives	\$(0.9)mm
	Non-Strategic Mortgage Repurchase Provision	\$(200)mm
	Income from Agreement to Sell Servicing Rights and Related Advances	\$12.9mm
4Q	Restructuring Charges	\$(0.4)mm
	Acquisition Costs	\$(2.3)mm
	Net Loss Accruals Related to Legal Matters	\$(57)mm
	Reversal of Mortgage Repurchase Provision	\$30mm
	Net Securities Gain	\$2.2mm