



Proven | Focused | Better

Bryan Jordan | CEO

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. Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results. This presentation also includes certain non-GAAP financial measures related to “tangible common equity”, “pre-provision net revenue”, “economic profit”, “RAROC” and certain financial measures excluding notable items, including merger-related charges. Notable items include certain revenue or expense items that may occur in a reporting period which management does not consider indicative of ongoing financial performance. Management believes it is useful for the investment community to consider financial metrics with and without notable items in order to enable a better understanding of company results, facilitate comparability of period-to-period financial results, and to evaluate and forecast those results. Although FHN has procedures in place to ensure that these measures are calculated using the appropriate GAAP or regulatory components, they have limitations as analytical tools and should not be considered in isolation, or as a substitute for analysis of results under GAAP. For more information on these calculations and to view the reconciliations to the most comparable GAAP measures, please refer to the appendix 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.



Proven success

Focused strategy

Better opportunities

Building From a Position Of Strength



We do what we say we will do

Capital Bank Integration Efforts Were Significant



572K
new clients

1,300
team members involved



23,000
test scripts

335
ambassadors



210K
proactive calls to clients

30K
training hours



700 vendors
exited

branch
consolidations **51**

2018 efforts position
us well for 2019

Successfully **integrate** Capital Bank

Deliver merger cost saves

Build merger revenue synergies

Strengthen the balance sheet

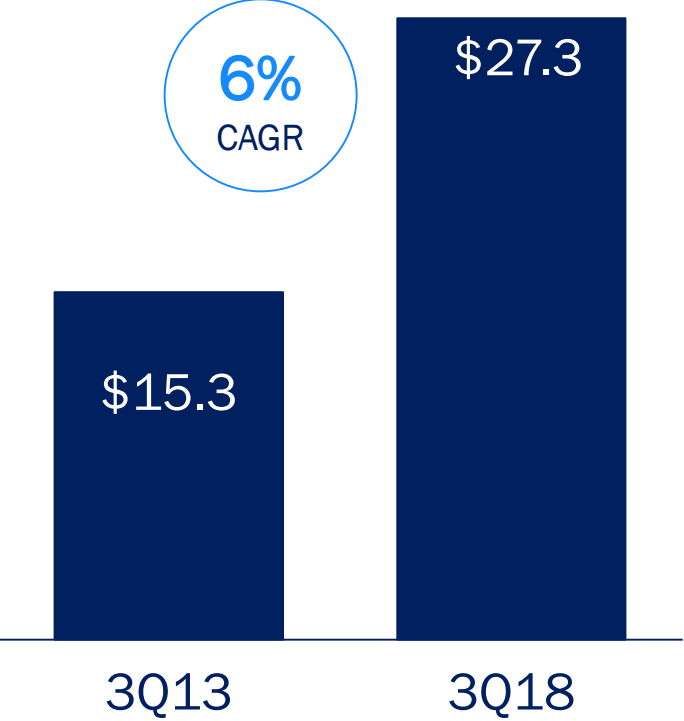
We Are Exceeding Our Bonfish Financial Targets

17%+
RETURN
ON TANGIBLE
COMMON EQUITY¹

1.20%+
RETURN
ON ASSETS¹

We Have Profitably Grown Our Balance Sheet

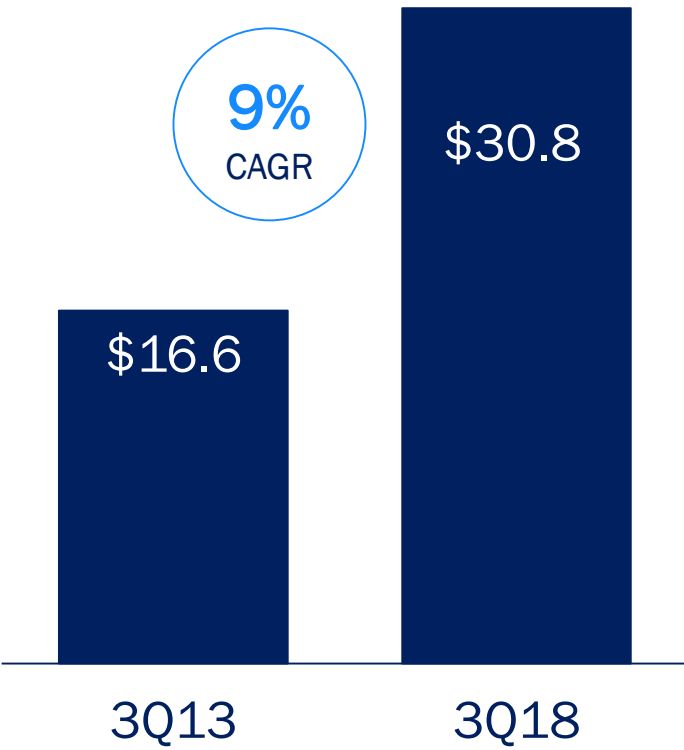
Loans



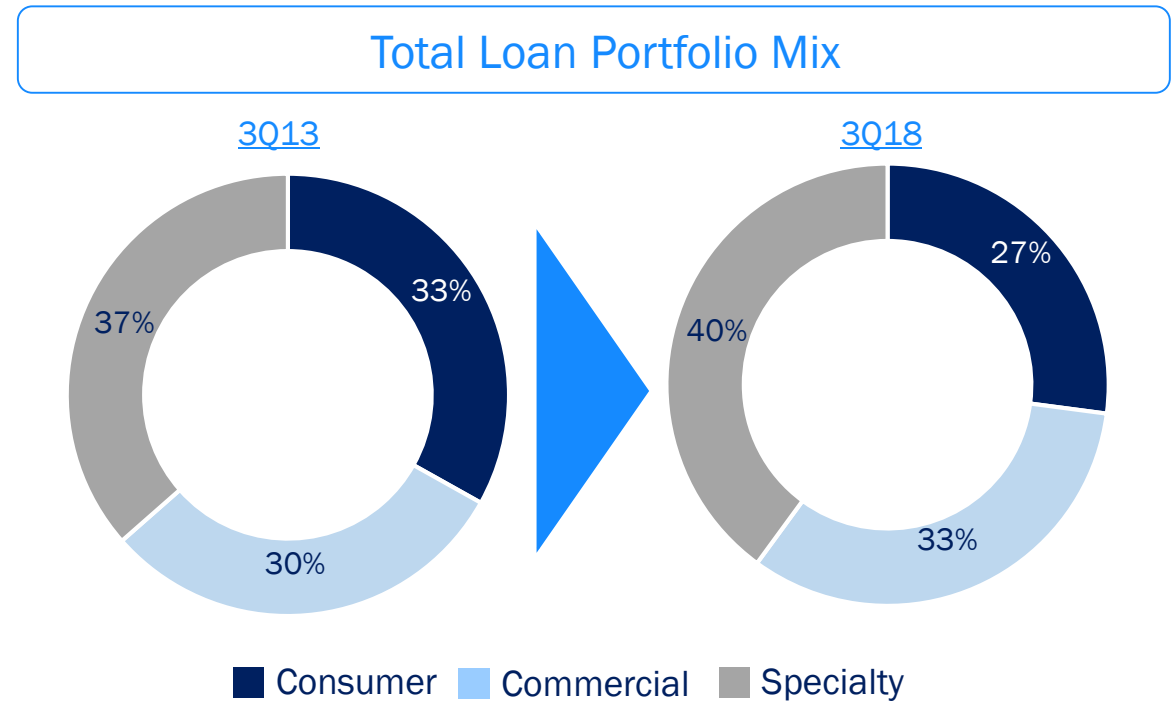
\$7.3B
Added Loans
from Capital Bank

\$8.1B
Added Deposits
from Capital Bank

Deposits

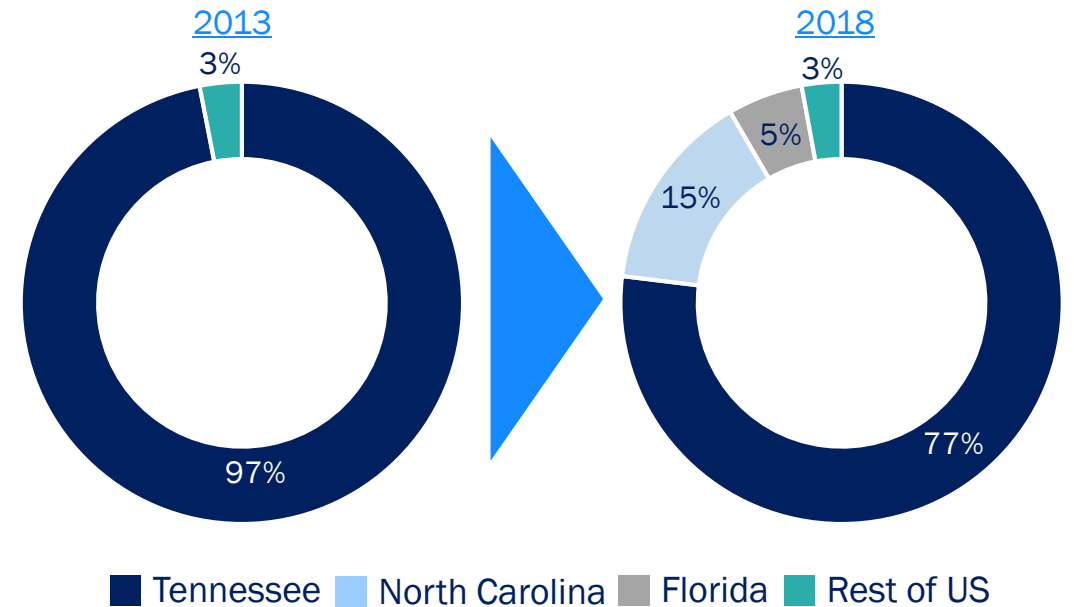


We have shifted the loan portfolio toward more economically profitable Specialty Banking areas



Our deposit base has expanded into higher growth markets

Total Deposit Mix



We deployed
capital effectively

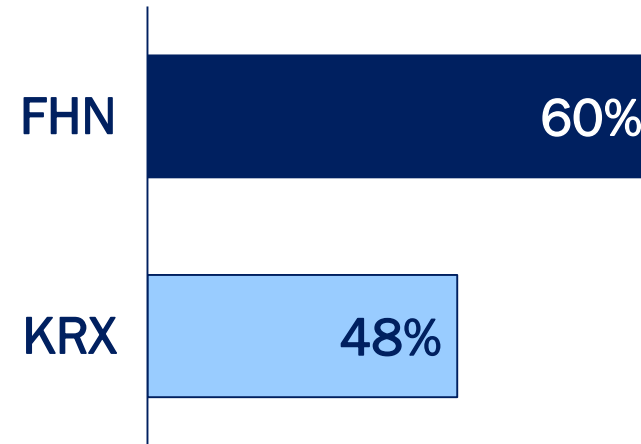
10%
OF COMPANY
REPURCHASED¹ @ **23%**
DISCOUNT TO
CURRENT PRICE¹

7
SUCCESSFUL
ACQUISITIONS

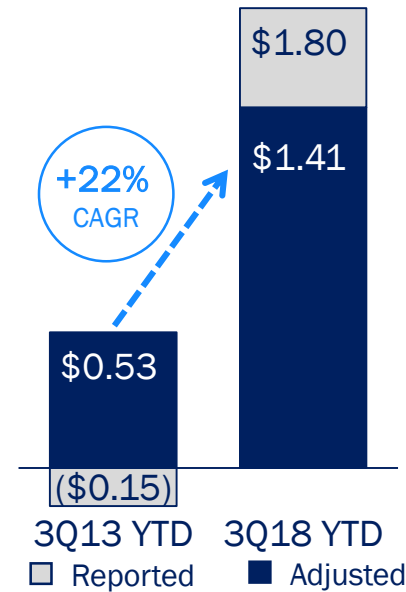
\$161mm
VISA B SHARE
MONETIZATION²

We created
shareholder value

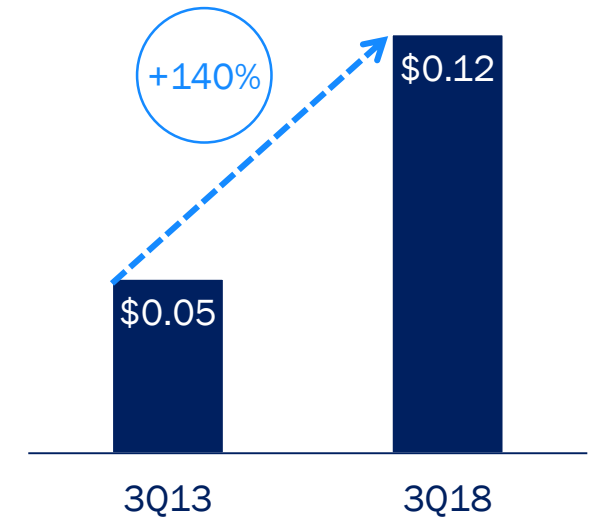
Five Year Total Shareholder Return¹



EPS



Quarterly Dividends



¹YTD EPS is annualized.
²For footnoted items, refer to slide 24 for additional information.

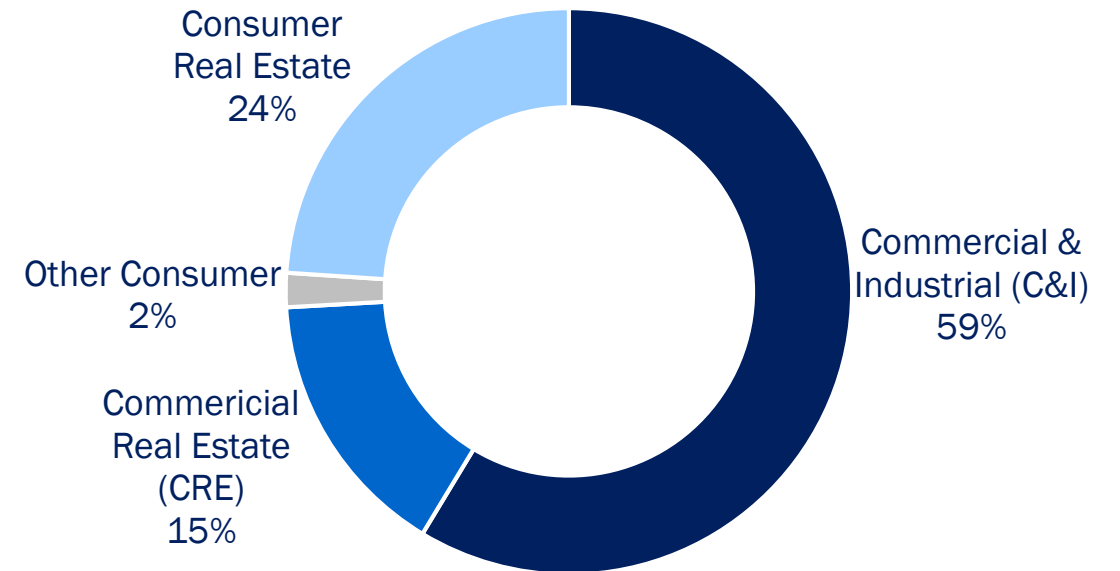
We play to our strengths

Specialization is our advantage

Our success is a matter of business model

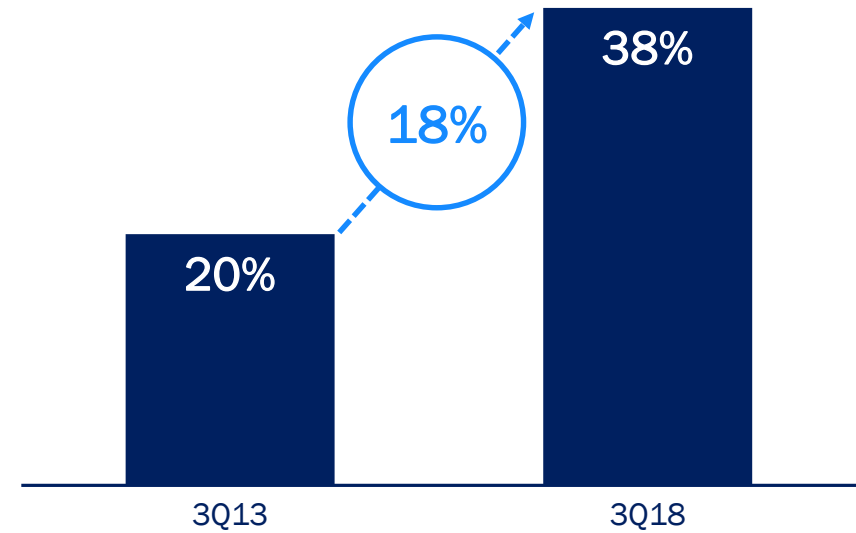
We have a
lower risk model

High Quality Lending Portfolio



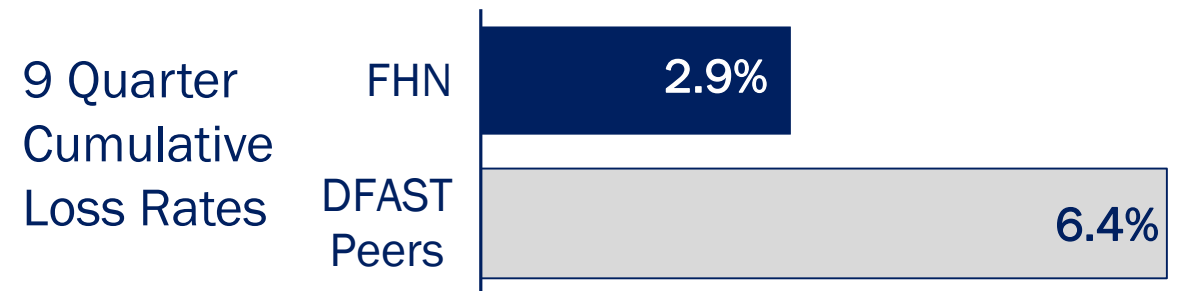
We have a
lower risk model

Investment Grade Equivalent Commercial Loans



We have a
lower risk model

Significantly Lower Stressed Loss Rates¹



We have
better opportunities

82%

of FHN Deposits in
Markets with Top 5
Share

134%

Specialty Banking
Loan Growth
Over Past 5 Years

\$730B

Size of NC, SC, and
South Florida Deposit
Markets

1.9x

Expected Population
Growth in Our Newer
Markets vs.
US as a Whole¹

Strategic Priorities

Dominate Tennessee

Profitably Grow Key Markets
and Specialty Businesses

Transform the
Customer Experience

Optimize the Expense Base

The FHN Investment Thesis

- 1 We have delivered results
- 2 We have a strong return profile
- 3 We have multiple growth opportunities
- 4 We have capital to deploy
- 5 We have a lower risk model



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Notes

<u>Slide</u>	<u>Note</u>	<u>Comment</u>
8	(1)	ROTCE, Adjusted ROTCE, and Adjusted ROA are Non-GAAP numbers and are reconciled on slide 26. Adjusted numbers exclude notable items as outlined on slide 25.
12	(1)	23mm shares repurchased from beginning of 2013 to 11.02.18 at volume weighted average price of \$12.70. Percentage of company repurchased calculated on 2012 ending share count. Discount calculated from market closing price as of 11.02.18.
12	(2)	\$161mm reflects the net after-tax gain from the monetization of Visa Class B shares.
13	(1)	Total shareholder return calculated from 11.20.13 to 11.02.18.
13	(2)	Adjusted EPS is a Non-GAAP number and is reconciled on slide 27. Adjusted numbers exclude notable items as outlined on slide 25.
19	(1)	Results represent DFA Severely Adverse scenario. All references to peer stress testing data indicates aggregate HoldCo level 2018 supervisory Dodd-Frank Act Stress Testing (“DFAST”) results of 35 participating firms. Source: Federal Reserve.
20	(1)	Newer markets include Nashville, TN; Raleigh, NC; Charlotte, NC; Greensboro, NC; Winston-Salem, NC; Charleston, SC; Miami, FL; Key West, FL; Naples, FL; Cape Coral, FL; and Sarasota, FL. All comparisons are of expected demographic changes within the MSAs for these respective markets from 2019 to 2024. The expected growth in national average household income is 8.8%. The expected growth in national population is 3.6%. Demographic Data Source: S&P Global Market Intelligence.



Notable Items

<u>3Q13 YTD Notable Items</u>	<u>Pre-tax Amount</u>
Restructuring Charges	(\$3.0mm)
Legal Accrual	(\$6.1mm)
Acquisition Expense	(\$2.9mm)
Settlement of a legal matter	\$1.0mm
Other Expense (Visa Shares)	(\$0.9mm)
Mortgage repurchase reserve increase	(\$200.0mm)
Gain on sale of servicing rights and related advances	\$12.9mm

<u>3Q18 YTD Notable Items</u>	<u>Pre-tax Amount</u>
Acquisition Expense	(\$86.0mm)
Gain on property sale	\$3.3mm
Other Expense (Visa Shares)	(\$4.1mm)
Visa B Share Monetization	\$212.9mm



Reconciliation to GAAP Financials

Slides in this presentation use Non-GAAP information of 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.

<u>Return on Average Tangible Common Equity (ROTCE) & Adjusted ROTCE</u>	<u>3Q18 YTD</u>	<u>Adjusted Return on Average Assets (ROA)</u>	<u>3Q18 YTD</u>
Average Total Equity (GAAP)	\$4,579	Annualized Net Income (GAAP) (a)	\$609
Less: Average Non-controlling Interest (GAAP)	(\$295)	Plus: Annualized Tax-affected Notable Items (GAAP)	(\$127)
Less: Average Preferred Stock (GAAP)	(\$96)	Annualized Adjusted Net Income (Non-GAAP) (b)	\$483
Average Common Equity (GAAP) (a)	\$4,188	Average Total Assets (Non-GAAP) (c)	\$40,199
Less: Average Intangible Assets (GAAP)	(\$1,570)	Return on Average Assets (GAAP) (a/b)	1.52%
Average Tangible Common Equity (Non-GAAP) (b)	\$2,618	Adjusted Return on Average Assets (GAAP) (b/c)	1.20%
Annualized Net Income Available to Common (GAAP) (c)	\$592	Average Effective Tax Rate for Tax-affected Notable Items	~24%
Return on Average Common Equity (ROE) (GAAP) (c/a)	14.1%		
Return on Average Tangible Common Equity (ROTCE) (Non-GAAP) (c/b)	22.6%		
Annualized Net Income Available to Common (GAAP) (c)	\$592		
Plus: Annualized Tax-affected Notable Items (GAAP)	(\$127)		
Annualized Adjusted Net Income Available to Common (Non-GAAP) (d)	\$465		
Average Tangible Common Equity (Non-GAAP) (b)	\$2,618		
Less: Equity impact for notable items (3Q18 only)	\$48		
Adjusted Average Tangible Common Equity (Non-GAAP) (e)	\$2,618		
Adjusted Return on Average Tangible Common Equity (ROTCE) (Non-GAAP) (d/e)	17.4%		
Average Effective Tax Rate for Tax-affected Notable Items	~24%		

(Note: N/A – Non-applicable)



Reconciliation to GAAP Financials

Slides in this presentation use Non-GAAP information of adjusted earnings per share. That information is not presented according to generally accepted accounting principles (GAAP) and is reconciled to GAAP information below.

Adjusted Earnings Per Share (EPS)	3Q18 YTD	3Q13 YTD	(CAGR) 3Q18 YTD vs. 3Q13 YTD
Net Income Available to Common (GAAP) (a)	\$442	(\$28)	
Plus: Tax-affected Notable Items (GAAP)	(\$95)	\$122	
Adjusted Net Income Available to Common (Non-GAAP) (b)	\$348	\$95	
Annualized Net Income Available to Common (GAAP) (c)	\$592	(\$37)	
Plus: Annualized Tax-affected Notable Items (GAAP)	(\$127)	\$163	
Annualized Adjusted Net Income Available to Common (Non-GAAP) (d)	\$465	\$126	
Average Common Diluted Shares (GAAP) (e)	329	239	
Plus: Antilutive Impact to Average Common Shares (GAAP)	N/A	2	
Adjusted Average Common Diluted Shares (Non-GAAP) (f)	329	241	
Earnings Per Share (GAAP) (a/e)	\$1.35	(\$0.12)	NM
Adjusted Earnings Per Share (Non-GAAP) (b/f)	\$1.06	\$0.39	22%
Annualized Earnings Per Share (Non-GAAP) (c/e)	\$1.80	(\$0.15)	NM
Annualized Adjusted Earnings Per Share (Non-GAAP) (d/f)	\$1.41	\$0.52	22%
Average Effective Tax Rate for Tax-affected Notable Items	~24%	~39%	

(Note: N/A – Non-applicable, NM – Not meaningful)

