



FOURTH QUARTER 2012 FINANCIAL SUPPLEMENT

If you need further information, please contact:
Aarti Bowman, Investor Relations
901-523-4017
aagoorha@firsthorizon.com

| | Page |
|--|------|
| First Horizon National Corporation Segment Structure | 3 |
| Performance Highlights | 4 |
| Charges for Restructuring, Repositioning, & Efficiency Initiatives | 7 |
| Consolidated Results | |
| Income Statement | |
| Summary Results | 8 |
| Income Statement | 9 |
| Other Income and Other Expense | 10 |
| Balance Sheet | |
| Period End Balance Sheet | 11 |
| Average Balance Sheet | 12 |
| Net Interest Income | 13 |
| Average Balance Sheet: Yields and Rates | 14 |
| Mortgage Servicing Rights | 15 |
| Business Segment Detail | |
| Segment Highlights | 16 |
| Regional Banking | 17 |
| Capital Markets | 18 |
| Corporate | 19 |
| Non-Strategic | 20 |
| Capital Highlights | 21 |
| Asset Quality | |
| Asset Quality: Consolidated | 22 |
| Asset Quality: Regional Banking and Corporate | 24 |
| Asset Quality: Non-Strategic | 25 |
| Rollforwards of Nonperforming Loans and ORE Inventory and Commercial Loans - Portfolio Metrics | 26 |
| Consumer Loans - Portfolio Metrics | 27 |
| Non-GAAP to GAAP Reconciliation | 28 |
| Glossary of Terms | 29 |

Other Information

This financial supplement contains forward-looking statements involving significant risks and uncertainties. A number of important factors could cause actual results to differ materially from those in the forward-looking information. Those factors include general economic and financial market conditions, including expectations of and actual timing and amount of interest rate movements including the slope of the yield curve, competition, customer and investor responses to these conditions, ability to execute business plans, geopolitical developments, recent and future legislative and regulatory developments, natural disasters, and items mentioned in this financial supplement and in First Horizon National Corporation's ("FHN") most recent press release, as well as critical accounting estimates and other factors described in FHN's recent filings with the SEC. FHN disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements included herein or therein to reflect future events or developments.

Use of Non-GAAP Measures

Certain ratios are included in this financial supplement that are non-GAAP, meaning they are not presented in accordance with generally accepted accounting principles ("GAAP") in the U.S. FHN's management believes such ratios are relevant to understanding the capital position and results of the Company. The non-GAAP ratios presented in this financial supplement are tangible common equity to tangible assets, tangible book value per common share, tier 1 common to risk weighted assets, adjusted tangible common equity to risk weighted assets, and net interest margin adjusted for fully taxable equivalent ("FTE"). These ratios are reported to FHN's management and Board of Directors through various internal reports. Additionally, disclosure of non-GAAP capital ratios provides a meaningful base for comparability to other financial institutions as demonstrated by their use by the various banking regulators in reviewing the capital adequacy of financial institutions. Non-GAAP measures are not formally defined by GAAP or codified in the federal banking regulations, and other entities may use calculation methods that differ from those used by FHN. Tier 1 capital is a regulatory term and is generally defined as the sum of core capital (including common equity and instruments that can not be redeemed at the option of the holder) adjusted for certain items under risk based capital regulations. Also a regulatory term, risk weighted assets includes total assets adjusted for credit risk and is used to determine regulatory capital ratios. Refer to the tabular reconciliation of non-GAAP to GAAP measures and presentation of the most comparable GAAP items on page 28 of this financial supplement.



Regional Banking

- Traditional lending and deposit taking, investments, financial planning, trust services, asset management, and cash management
- Commercial includes all corporate, commercial, and specialty lines of business which include mortgage warehouse, commercial real estate ("CRE"), asset based lending ("ABL"), correspondent banking, and healthcare
- Consumer includes all retail and private client ("PC")/wealth management lines of business

Capital Markets

- Fixed income sales, trading, and strategies for institutional clients in the U.S. and abroad
- Other capital markets products such as portfolio advisory, derivatives, and loan trading

Corporate

- Executive management, enterprise-wide risk management, corporate, finance, corporate communications, tax credit investment activities, legal functions and funding for the corporation including any impact from balance sheet positioning
- Various charges related to restructuring, repositioning, and efficiency initiatives

Non-Strategic

- Wind-down businesses that include:
 - National consumer lending loan portfolios
 - Trust preferred loan portfolio
 - Legacy mortgage servicing
- Exited businesses such as First Horizon Msaver, Inc. ("Msaver"), First Horizon Insurance, Inc. ("FHI"), and Highland Capital Management Corporation ("Highland Capital") and associated restructuring, repositioning, and efficiency charges

FHN PERFORMANCE HIGHLIGHTS

Summary of Fourth Quarter 2012 Significant Items

| Segment | Item | Income Statement | Amount | Comments |
|---------------------------|--|---|------------------|--|
| Corporate & Non Strategic | Restructuring, Repositioning, and Efficiency Initiatives | Primarily Employee compensation, incentives, and benefits | \$(18.7) million | Primarily pre-tax severance related costs associated with efficiency initiatives within corporate and bank service functions |
| Non-Strategic | Investment Securities Loss | Security Gains/Losses | \$(4.7) million | Pre-tax valuation adjustment related to an equity investment |
| Non-Strategic | Litigation Expense | Noninterest Expense: Other | \$(4.3) million | Pre-tax loss accrual related to pending legal matters |
| Various | Tax Benefits | Tax Provision | \$17.0 million | Tax benefits related to discrete period tax items |

(Consolidated Results for Fiscal Year 2012 vs. 2011)

- Net loss available to common shareholders was \$27.8 million, or \$.11 loss per diluted share in 2012, compared to net income of \$131.2 million, or \$.50 per diluted share in 2011
 - Net interest income ("NII") decreased 2 percent in 2012 to \$688.7 million from \$700.8 million; net interest margin ("NIM") decreased to 3.13 percent from 3.22 percent
 - The decrease in NII is primarily attributable to run-off of the non-strategic loan portfolio and a lower yielding securities portfolio, which more than outpaced loan growth within the bank and declining rates on interest bearing deposits
 - The decrease in NIM is driven by declining yields on the investment portfolio, lower yielding commercial and bank installment loans, and run-off of the non-strategic loan portfolio, partially offset by lower rates on interest bearing deposits and loan growth within the bank
 - Noninterest income (including securities gains) was \$671.3 million in 2012 compared to \$786.0 million in 2011 primarily due to a decline in mortgage banking income, a decline in net securities gains, and lower fixed income sales revenue within capital markets
 - Provision expense was \$78.0 million in 2012 compared to \$44.0 million in the prior year; 2012 included approximately \$30 million of provision associated with the implementation of regulatory guidance related to discharged bankruptcies
 - Overall improvement of the loan portfolio continued into 2012, but at a slower pace than 2011
 - Noninterest expense was \$1.4 billion in 2012 compared to \$1.3 billion in 2011
 - Increase primarily driven by an increase to the repurchase and foreclosure provision, higher pension-related cost, and higher severance costs related to restructuring, repositioning, and efficiency initiatives in 2012 relative to 2011
 - These increases were partially offset by a decline in legal and professional fees and litigation and regulatory matters largely driven by litigation matters in the prior year
 - Substantially all other categories had lower expenses in 2012 compared to the prior year due to FHN's continued focus on cost reduction throughout the organization
 - Period-end loans were \$16.7 billion in 2012 compared to \$16.4 billion in 2011
 - Average core deposits increased 4 percent to \$15.6 billion in 2012 from \$15.0 billion in 2011, period-end increased 3 percent to \$16.1 billion

(Fourth Quarter 2012 vs. Third Quarter 2012)

Consolidated

- Net income available to common shareholders was \$40.7 million, or \$.17 per diluted share, compared to \$25.8 million, or \$.10 per diluted share in prior quarter
- NII decreased in fourth quarter to \$170.6 million; NIM decreased to 3.09 percent from 3.15 percent
 - The decrease in NII is primarily attributable to a lower yielding securities portfolio, run-off of the non-strategic loan portfolio and declining yields on non-strategic mortgage and commercial fixed and floating loans, which more than outpaced loan growth within the bank, declining rates on interest bearing deposits, and an increase in loan fees relative to the prior quarter
 - The decrease in NIM is driven by declining yields on the investment portfolio, lower yielding commercial and mortgage loans, and an increase in average excess cash held at the Fed, partially offset by an increase in loan fees
- Noninterest income (including securities gains) was \$146.4 million in fourth quarter, down from \$163.5 million in third quarter
 - Decrease primarily driven by lower fixed income sales revenue within capital markets in fourth quarter and a \$4.7 million negative valuation adjustment on an equity investment
- Provision expense was \$15.0 million in fourth quarter compared to \$40.0 million in third quarter
 - Third quarter included approximately \$30 million of incremental loan loss provisioning associated with implementation of regulatory guidance related to discharged bankruptcies
- Noninterest expense was \$271.4 million in fourth quarter compared to \$263.2 million in third quarter
 - Increase primarily driven by severance costs associated with a voluntary separation program ("VSP") launched in October
- Period-end loans were \$16.7 billion for the fourth quarter compared to \$16.5 billion in third quarter
 - Increase in the loan portfolio is primarily driven by an increase in loans to mortgage companies and consumer real estate installment loans within the bank, partially offset by continued run-off within the non-strategic portfolios
- Average core deposits increased 3 percent to \$15.8 billion in fourth quarter from \$15.3 billion in third quarter, period-end increased 3 percent to \$16.1 billion

FHN PERFORMANCE HIGHLIGHTS (continued)

(Fourth Quarter 2012 vs. Third Quarter 2012)

Regional Banking

- Net interest income increased \$2.8 million to \$153.1 million in fourth quarter; NIM increased to 4.95 percent from 4.92 percent
 - Increase in NII primarily attributable to higher loan balances (loans to mortgage companies and real estate installment loans), higher loan fees relative to the prior quarter, and declining rates on interest bearing deposits
 - Higher loan fees and declining rates on interest bearing deposits, partially offset by declining yields on installment loans, contributed to the increase in NIM in fourth quarter
- Provision credit was \$1.2 million in fourth quarter compared to provision expense of \$2.9 million in prior quarter
 - Decrease in reserves largely driven by continued stabilization in the commercial portfolios
- Period-end loans increased \$356.7 million to \$12.8 billion primarily due to increases in loans to mortgage companies and consumer real estate installment loans
- Noninterest income was flat at \$64.0 million in fourth quarter
- Noninterest expense increased to \$143.5 million in fourth quarter from \$141.2 million in third quarter largely driven by seasonally higher advertising costs from sponsorships

Capital Markets

- Fixed income sales revenue declined to \$66.0 million in fourth quarter from \$74.5 million in third quarter
 - Fixed income average daily revenue ("ADR") was \$1.1 million in fourth quarter compared to \$1.2 million in third quarter
- Noninterest expenses decreased to \$57.5 million in fourth quarter from \$64.6 million in prior quarter
 - Variable compensation costs decreased primarily due to the decrease in fixed income ADR

Corporate

- NII was negative \$8.2 million in fourth quarter compared to negative \$5.3 million in third quarter
 - Decrease largely driven by declining rates and balances within the securities portfolio
 - Estimated duration of the securities portfolio is 3.4 years
- Noninterest income was \$6.0 million in fourth quarter compared to \$7.9 million in prior quarter
 - Decrease resulting from lower deferred compensation driven by market conditions; changes in income are mirrored by changes in deferred compensation expense
 - Third quarter includes \$.9 million of interest related to a tax refund
- Noninterest expense increased to \$36.6 million in fourth quarter from \$22.0 million in prior quarter
 - Fourth quarter expense includes \$18.3 million of Restructuring, Repositioning and Efficiency Initiatives, primarily severance related costs associated with the VSP
 - Third quarter includes a \$1.5 million impairment charge related to tax credit investments and a \$1.8 million gain related to clean-up calls for first lien securitizations

Non-Strategic

- NII decreased to \$21.4 million in fourth quarter from \$23.6 million in third quarter due to continued run-off of the loan portfolio
- Provision expense decreased to \$16.2 million in fourth quarter from \$37.1 million in prior quarter
 - Prior quarter includes the impact of implementing regulatory guidance related to loans discharged through bankruptcy
- Noninterest income (including securities gains) decreased to \$4.0 million in fourth quarter from \$10.8 million in prior quarter
 - Mortgage banking income decreased \$1.5 million to \$7.3 million in fourth quarter
 - Fourth quarter includes \$4.7 million negative valuation adjustment related to an equity investment
- Noninterest expense was \$33.6 million in fourth quarter, compared to \$35.4 million in the prior quarter
 - No provision for repurchase and foreclosure losses was recognized in fourth or third quarter
 - Repurchase reserve levels declined \$59.5 million in fourth quarter to \$232.4 million
 - The decline in repurchase reserves reflects charge-offs on resolutions in fourth quarter
 - Active pipeline decreased to \$333.8 million from \$446.3 million in prior quarter
 - Repurchase/make whole requests were \$267.3 million as of the end of the fourth quarter down from \$392.9 million in prior quarter and primarily relate to requests from Fannie/Freddie
 - Cumulative average rescission rates ranging between 45 percent and 55 percent with cumulative average loss severities ranging between 50 percent and 60 percent
 - Fourth quarter includes a \$4.3 million loss accrual related to pending legal matters; Third quarter includes a \$6.6 million loss accrual related to a legal settlement

FHN PERFORMANCE HIGHLIGHTS (continued)

(Fourth Quarter 2012 vs. Third Quarter 2012)

Asset Quality

- Allowance as a percentage of loans ratio decreased to 166 basis points from 171 basis points in prior quarter
 - The allowance decreased by \$4.8 million to \$277.0 million and period end loan balances increased \$184.8 million in fourth quarter to \$16.7 billion
- Provision expense decreased to \$15.0 million during fourth quarter from \$40.0 million in prior quarter
 - Approximately \$30 million of the provision in the prior quarter was associated with the implementation of the regulatory guidance related to discharged bankruptcies
- Annualized net charge-offs decreased to 48 basis points of average loans from 192 basis points in prior quarter
 - Net charge-offs were \$19.8 million in fourth quarter compared to \$79.3 million in prior quarter
 - Prior quarter net charge-offs include \$40.0 million impact of charging down all discharged bankruptcies to estimated collateral value less costs to sell associated with implementation of regulatory guidance
 - Fourth quarter charge-offs reflect lower loss estimate for discharged bankruptcies based on loan-level data obtained from new appraisals in fourth quarter
- Nonperforming assets ("NPAs") decreased 7 percent from prior quarter; NPA ratio declined to 184 basis points from 215 basis points
 - Commercial NPLs decreased 22 percent to \$168.2 million in fourth quarter
 - A portion of the decline is driven by 3 TRUPS amounting to \$21 million (including LOCOM) that were returned to accrual status in fourth quarter
- Troubled debt restructurings ("TDRs") were \$550.6 million at the end of fourth quarter compared with \$543.3 million prior quarter
- Commercial Portfolio:
 - Reserves decreased \$17.7 million from prior quarter primarily driven by the C&I portfolio
 - Reserve levels reflect continued stabilization of the portfolio
- Consumer Portfolio
 - Reserves increased \$12.9 million in fourth quarter from \$147.9 million in third quarter driven by the consumer real estate portfolio within the non-strategic segment
 - The increase in the reserves is partially attributable to an increase in 30+ Delinquencies to 233 basis points from 226 basis points in the prior quarter in the non-strategic segment combined with continued enhancement in ALLL methodology in order to estimate loss content on current second liens behind non FHN-serviced first liens with performance issues
 - Reserves for the permanent mortgage portfolio decreased \$0.8 million; allowance to loans increased to 3.21 percent from 3.15 percent
 - The decrease in reserves was driven by lower delinquencies as 30+ Delinquencies declined to 228 basis points from 282 basis points in the prior quarter
 - The increase in allowance to loans ratio was affected by a \$38.9 million decrease in period-end balances in fourth quarter

Taxes

- Fourth quarter includes \$24.6 million of positive effect from permanent tax benefits
 - \$17.0 million related to discrete period tax items
 - \$9.2 million in permanent tax benefits related to decreases in unrecognized tax benefits
 - \$6.7 million in permanent tax benefits related to subsidiary liquidations
 - \$1.1 million in permanent tax benefits related to other items
 - \$7.6 million in permanent tax benefits primarily related to tax credit investments, life insurance, and tax exempt interest

Capital and Liquidity

- Paid \$0.01 per share dividend January 1, 2013
 - Repurchased shares costing \$34.6 million in fourth quarter under the \$200 million stock repurchase program
 - Repurchased shares costing \$175.1 million since the program's inception
 - Volume weighted average price for all share repurchases under the stock repurchase program of \$8.56 per share (before \$.03 per share broker commission)
- Capital ratios (regulatory capital ratios estimated based on period-end balances)
 - 8.11 percent for tangible common equity to tangible assets
 - 13.05 percent for Tier 1
 - 15.88 percent for Total Capital
 - 10.61 percent for Tier 1 Common

FHN CHARGES FOR RESTRUCTURING, REPOSITIONING, & EFFICIENCY INITIATIVES

Quarterly, Unaudited

| (Thousands) | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 |
|---|--------------------|-------------------|-------------------|---------------|-------------------|
| By Income Statement Impact | | | | | |
| Noninterest income | | | | | |
| Mortgage banking (a) | \$ (348) | \$ - | \$ (2,287) | \$ - | \$ - |
| Gain on divestiture | - | - | - | 200 | - |
| Noninterest expense | | | | | |
| Employee compensation, incentives, and benefits (b) | 18,128 | 2,730 | 2,191 | (152) | 3,760 |
| Occupancy | 180 | 41 | (219) | 44 | 39 |
| Legal and professional fees | - | - | - | 15 | (27) |
| All other expense | 17 | - | 12 | 5 | 220 |
| Total gain/(loss) before income taxes | (18,673) | (2,771) | (4,271) | 288 | (3,992) |
| Income/(loss) from discontinued operations (c) | - | 180 | 485 | (96) | (84) |
| Net impact resulting from restructuring, repositioning, and efficiency initiatives | \$ (18,673) | \$ (2,591) | \$ (3,786) | \$ 192 | \$ (4,076) |

(a) Reflects adjustment due to contingencies associated with prior mortgage servicing sales.

(b) 4Q12 includes severance related costs associated with the VSP.

(c) Includes amounts related to Msaver, First Horizon Insurance, and Highland Capital.

FHN CONSOLIDATED SUMMARY RESULTS
Quarterly, Unaudited

| (Dollars in thousands, except per share data) | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 4Q12 Changes vs. | | Twelve months ended | | 2012 vs. |
|---|---------------|---------------|---------------|---------------|---------------|------------------|-------|---------------------|------------|----------|
| | | | | | | 3Q12 | 4Q11 | 2012 | 2011 | 2011 |
| Income Statement Highlights | | | | | | | | | | |
| Net interest income | \$ 170,598 | \$ 173,465 | \$ 172,675 | \$ 171,929 | \$ 178,877 | (2)% | (5)% | \$ 688,667 | \$ 700,832 | (2)% |
| Noninterest income | 151,143 | 163,538 | 153,842 | 202,113 | 180,993 | (8)% | (16)% | 670,636 | 749,847 | (11)% |
| Securities gains/(losses), net | (4,700) | - | 5,065 | 328 | 203 | NM | NM | 693 | 36,164 | (98)% |
| Total revenue | 317,041 | 337,003 | 331,582 | 374,370 | 360,073 | (6)% | (12)% | 1,359,996 | 1,486,843 | (9)% |
| Noninterest expense | 271,361 | 263,169 | 527,177 | 321,994 | 312,036 | 3% | (13)% | 1,383,701 | 1,292,995 | 7% |
| Provision for loan losses | 15,000 | 40,000 | 15,000 | 8,000 | 10,000 | (63)% | 50% | 78,000 | 44,000 | 77% |
| Income/(loss) before income taxes | 30,680 | 33,834 | (210,595) | 44,376 | 38,037 | (9)% | (19)% | (101,705) | 149,848 | NM |
| Provision/(benefit) for income taxes | (12,914) | 5,260 | (88,178) | 10,570 | (526) | NM | NM | (85,262) | 15,836 | NM |
| Income/(loss) from continuing operations | 43,594 | 28,574 | (122,417) | 33,806 | 38,563 | 53% | 13% | (16,443) | 134,012 | NM |
| Income/(loss) from discontinued operations, net of tax | (12) | 108 | 487 | (435) | (752) | NM | 98% | 148 | 8,618 | (98)% |
| Net income/(loss) | 43,582 | 28,682 | (121,930) | 33,371 | 37,811 | 52% | 15% | (16,295) | 142,630 | NM |
| Net income attributable to noncontrolling interest | 2,901 | 2,875 | 2,844 | 2,844 | 2,871 | 1% | 1% | 11,464 | 11,434 | * |
| Net income/(loss) available to common shareholders | \$ 40,681 | \$ 25,807 | \$ (124,774) | \$ 30,527 | \$ 34,940 | 58% | 16% | \$ (27,759) | \$ 131,196 | NM |
| Common Stock Data | | | | | | | | | | |
| Diluted EPS from continuing operations | \$ 0.17 | \$ 0.10 | \$ (0.50) | \$ 0.12 | \$ 0.13 | 70% | 31% | \$ (0.11) | \$ 0.47 | NM |
| Diluted EPS | \$ 0.17 | \$ 0.10 | \$ (0.50) | \$ 0.12 | \$ 0.13 | 70% | 31% | \$ (0.11) | \$ 0.50 | NM |
| Diluted shares (thousands) | 246,132 | 248,306 | 249,104 | 255,369 | 260,372 | (1)% | (5)% | 248,349 | 262,861 | (6)% |
| Period-end shares outstanding (thousands) | 243,598 | 247,134 | 248,810 | 252,667 | 257,468 | (1)% | (5)% | 243,598 | 257,468 | (5)% |
| Cash dividends declared per share | \$ 0.01 | \$ 0.01 | \$ 0.01 | \$ 0.01 | \$ 0.01 | * | * | \$ 0.04 | \$ 0.04 | * |
| Balance Sheet Highlights (Period-End) | | | | | | | | | | |
| Total loans, net of unearned income (Restricted - \$.1 billion) (a) | \$ 16,708,582 | \$ 16,523,783 | \$ 16,185,763 | \$ 15,971,330 | \$ 16,397,127 | 1% | 2% | | | |
| Total deposits | 16,629,709 | 16,228,111 | 16,117,443 | 16,935,170 | 16,213,009 | 2% | 3% | | | |
| Total assets (Restricted - \$.1 billion) (a) | 25,520,140 | 25,739,830 | 25,492,955 | 25,678,969 | 24,789,384 | (1)% | 3% | | | |
| Total liabilities (Restricted - \$.1 billion) (a) | 23,010,934 | 23,207,942 | 22,978,549 | 23,004,796 | 22,104,747 | (1)% | 4% | | | |
| Total equity | 2,509,206 | 2,531,888 | 2,514,406 | 2,674,173 | 2,684,637 | (1)% | (7)% | | | |
| Asset Quality Highlights | | | | | | | | | | |
| Allowance for loan losses (Restricted - \$.4.3 million) (a) | \$ 276,963 | \$ 281,744 | \$ 321,051 | \$ 346,016 | \$ 384,351 | | | | | |
| Allowance / period-end loans | 1.66% | 1.71% | 1.98% | 2.17% | 2.34% | | | | | |
| Net charge-offs | \$ 19,781 | \$ 79,307 | \$ 39,965 | \$ 46,335 | \$ 75,294 | | | | | |
| Net charge-offs (annualized) / average loans | 0.48% | 1.92% | 1.01% | 1.16% | 1.84% | | | | | |
| Non-performing assets (NPA) | \$ 419,369 | \$ 450,391 | \$ 466,873 | \$ 511,320 | \$ 521,161 | | | | | |
| NPA % (b) | 1.84% | 2.15% | 2.32% | 2.56% | 2.57% | | | | | |
| Key Ratios & Other | | | | | | | | | | |
| Return on average assets (annualized) (c) | 0.69% | 0.45% | (1.96)% | 0.53% | 0.60% | | | | | |
| Return on average common equity (annualized) (d) | 7.20% | 4.59% | (21.06)% | 5.15% | 5.69% | | | | | |
| Net interest margin (e) (f) | 3.09% | 3.15% | 3.16% | 3.12% | 3.23% | | | | | |
| Fee income to total revenue (g) | 46.98% | 48.53% | 47.12% | 54.03% | 50.29% | | | | | |
| Efficiency ratio (h) | 84.34% | 78.09% | 161.45% | 86.08% | 86.71% | | | | | |
| Book value per common share | \$ 9.09 | \$ 9.05 | \$ 8.92 | \$ 9.42 | \$ 9.28 | | | | | |
| Tangible book value per common share (f) | \$ 8.44 | \$ 8.41 | \$ 8.28 | \$ 8.78 | \$ 8.66 | | | | | |
| Adjusted tangible common equity to risk weighted assets (f) (i) | 9.90% | 10.03% | 9.97% | 10.88% | 10.80% | | | | | |
| Market capitalization (millions) | \$ 2,414.1 | \$ 2,379.9 | \$ 2,152.2 | \$ 2,622.7 | \$ 2,059.7 | | | | | |
| Full time equivalent employees | 4,507 | 4,585 | 4,619 | 4,629 | 4,718 | | | | | |

NM - Not meaningful

* Amount is less than one percent.

(a) Restricted balances parenthetically presented are as of December 31, 2012.

(b) NPAs related to the loan portfolio over period-end loans plus foreclosed real estate and other assets.

(c) Calculated using net income.

(d) Calculated using net income available to common shareholders.

(e) Net interest margin is computed using total net interest income adjusted for FTE.

(f) Refer to the Non-GAAP to GAAP Reconciliation on page 28 of this financial supplement.

(g) Ratio excludes securities gains/(losses).

(h) Noninterest expense divided by total revenue excluding securities gains/(losses).

(i) Current quarter is an estimate.

FHN CONSOLIDATED INCOME STATEMENT
Quarterly, Unaudited

| (Thousands) | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 4Q12 Changes vs. | | Twelve months ended | | 2012 |
|--|------------|------------|--------------|------------|------------|------------------|-------|---------------------|------------|-------------|
| | | | | | | 3Q12 | 4Q11 | 2012 | 2011 | vs. 2011 |
| Interest income | \$ 196,199 | \$ 200,516 | \$ 200,735 | \$ 201,503 | \$ 209,715 | (2)% | (6)% | \$ 798,953 | \$ 832,437 | (4)% |
| Less: interest expense | 25,601 | 27,051 | 28,060 | 29,574 | 30,838 | (5)% | (17)% | 110,286 | 131,605 | (16)% |
| Net interest income | 170,598 | 173,465 | 172,675 | 171,929 | 178,877 | (2)% | (5)% | 688,667 | 700,832 | (2)% |
| Provision for loan losses (a) | 15,000 | 40,000 | 15,000 | 8,000 | 10,000 | (63)% | 50 % | 78,000 | 44,000 | 77 % |
| Net interest income after provision for loan losses | 155,598 | 133,465 | 157,675 | 163,929 | 168,877 | 17 % | (8)% | 610,667 | 656,832 | (7)% |
| Noninterest income: | | | | | | | | | | |
| Capital markets | 72,483 | 80,773 | 74,913 | 106,743 | 87,756 | (10)% | (17)% | 334,912 | 355,291 | (6)% |
| Mortgage banking | 8,287 | 10,373 | 9,889 | 23,341 | 18,008 | (20)% | (54)% | 51,890 | 90,586 | (43)% |
| Deposit transactions and cash management | 30,952 | 30,352 | 30,123 | 28,741 | 31,349 | 2 % | (1)% | 120,168 | 134,055 | (10)% |
| Trust services and investment management | 5,979 | 6,055 | 6,477 | 5,808 | 5,822 | (1)% | 3 % | 24,319 | 24,952 | (3)% |
| Brokerage management fees and commissions | 8,980 | 8,699 | 8,759 | 8,496 | 7,572 | 3 % | 19 % | 34,934 | 32,964 | 6 % |
| Insurance commissions | 804 | 946 | 830 | 568 | 1,399 | (15)% | (43)% | 3,148 | 3,591 | (12)% |
| Securities gains/(losses), net (b) | (4,700) | - | 5,065 | 328 | 203 | NM | NM | 693 | 36,164 | (98)% |
| Gain on divestiture | - | - | - | 200 | - | NM | NM | 200 | - | NM |
| Other (c) | 23,658 | 26,340 | 22,851 | 28,216 | 29,087 | (10)% | (19)% | 101,065 | 108,408 | (7)% |
| Total noninterest income | 146,443 | 163,538 | 158,907 | 202,441 | 181,196 | (10)% | (19)% | 671,329 | 786,011 | (15)% |
| Adjusted gross income after provision for loan losses | 302,041 | 297,003 | 316,582 | 366,370 | 350,073 | 2 % | (14)% | 1,281,996 | 1,442,843 | (11)% |
| Noninterest expense: | | | | | | | | | | |
| Employee compensation, incentives, and benefits | 161,813 | 153,970 | 149,616 | 175,458 | 149,013 | 5 % | 9 % | 640,857 | 610,225 | 5 % |
| Repurchase and foreclosure provision (d) | - | - | 250,000 | 49,256 | 45,033 | NM | NM | 299,256 | 159,590 | 88 % |
| Operations services | 8,123 | 8,702 | 9,477 | 9,127 | 10,601 | (7)% | (23)% | 35,429 | 50,347 | (30)% |
| Occupancy | 12,363 | 13,059 | 11,486 | 12,119 | 12,168 | (5)% | 2 % | 49,027 | 53,613 | (9)% |
| Legal and professional fees | 11,971 | 12,295 | 8,417 | 6,067 | 12,708 | (3)% | (6)% | 38,750 | 69,643 | (44)% |
| FDIC premium expense | 7,299 | 7,532 | 6,801 | 6,336 | 5,504 | (3)% | 33 % | 27,968 | 28,302 | (1)% |
| Computer software | 10,333 | 10,260 | 9,960 | 9,465 | 9,507 | 1 % | 9 % | 40,018 | 34,656 | 15 % |
| Contract employment and outsourcing | 9,052 | 10,187 | 10,844 | 11,115 | 12,514 | (11)% | (28)% | 41,198 | 41,896 | (2)% |
| Equipment rentals, depreciation, and maintenance | 7,910 | 7,931 | 7,789 | 7,616 | 7,748 | * | 2 % | 31,246 | 32,914 | (5)% |
| Foreclosed real estate | 1,995 | 2,968 | 1,908 | 4,170 | 4,793 | (33)% | (58)% | 11,041 | 22,076 | (50)% |
| Communications and courier | 4,613 | 4,722 | 4,484 | 4,499 | 4,384 | (2)% | 5 % | 18,318 | 19,100 | (4)% |
| Miscellaneous loan costs | 924 | 577 | 1,298 | 1,327 | 1,354 | 60 % | (32)% | 4,126 | 4,664 | (12)% |
| Amortization of intangible assets | 979 | 979 | 979 | 973 | 1,000 | * | (2)% | 3,910 | 4,016 | (3)% |
| Other (c) | 33,986 | 29,987 | 54,118 | 24,466 | 35,709 | 13 % | (5)% | 142,557 | 161,953 | (12)% |
| Total noninterest expense | 271,361 | 263,169 | 527,177 | 321,994 | 312,036 | 3 % | (13)% | 1,383,701 | 1,292,995 | 7 % |
| Income/(loss) before income taxes | 30,680 | 33,834 | (210,595) | 44,376 | 38,037 | (9)% | (19)% | (101,705) | 149,848 | NM |
| Provision/(benefit) for income taxes (e) | (12,914) | 5,260 | (88,178) | 10,570 | (526) | NM | NM | (85,262) | 15,836 | NM |
| Income/(loss) from continuing operations | 43,594 | 28,574 | (122,417) | 33,806 | 38,563 | 53 % | 13 % | (16,443) | 134,012 | NM |
| Income/(loss) from discontinued operations, net of tax | (12) | 108 | 487 | (435) | (752) | NM | 98 % | 148 | 8,618 | (98)% |
| Net income/(loss) | 43,582 | 28,682 | (121,930) | 33,371 | 37,811 | 52 % | 15 % | (16,295) | 142,630 | NM |
| Net income attributable to noncontrolling interest | 2,901 | 2,875 | 2,844 | 2,844 | 2,871 | 1 % | 1 % | 11,464 | 11,434 | * |
| Net income/(loss) available to common shareholders | \$ 40,681 | \$ 25,807 | \$ (124,774) | \$ 30,527 | \$ 34,940 | 58 % | 16 % | \$ (27,759) | \$ 131,196 | NM |

NM - Not meaningful

* Amount is less than one percent.

(a) 3Q12 includes approximately \$30 million associated with the implementation of regulatory guidance related to discharged bankruptcies.

(b) 4Q12 includes a \$4.7 million negative valuation adjustment related to an equity investment. 2Q12 includes a \$5.1 million gain on sale of venture capital investment.

(c) Refer to the Other Income and Other Expense table on page 10 for additional information.

(d) 2Q12 includes \$250.0 million charge to the repurchase and foreclosure provision primarily related to a revision in estimate based on information received from Fannie Mae.

(e) 4Q12 includes \$17.0 million in tax benefits related to discrete period tax items.

FHN OTHER INCOME AND OTHER EXPENSE

Quarterly, Unaudited

| (Thousands) | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 4Q12 Changes vs. | | Twelve months ended | | 2012 vs. |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------|---------------------|-------------------|--------------|
| | | | | | | 3Q12 | 4Q11 | 2012 | 2011 | 2011 |
| Other Income | | | | | | | | | | |
| Bank owned life insurance | \$ 5,081 | \$ 4,293 | \$ 4,659 | \$ 4,772 | \$ 4,764 | 18 % | 7 % | \$ 18,805 | \$ 19,615 | (4)% |
| Bankcard income (a) | 5,766 | 5,298 | 5,705 | 5,615 | 7,259 | 9 % | (21)% | 22,384 | 22,388 | * |
| ATM and interchange fees | 2,724 | 2,579 | 2,669 | 2,556 | 2,655 | 6 % | 3 % | 10,528 | 13,690 | (23)% |
| Other service charges | 3,167 | 3,263 | 3,212 | 3,293 | 3,541 | (3)% | (11)% | 12,935 | 12,182 | 6 % |
| Electronic banking fees | 1,610 | 1,589 | 1,632 | 1,706 | 1,546 | 1 % | 4 % | 6,537 | 6,225 | 5 % |
| Letter of credit fees | 1,192 | 1,072 | 1,560 | 1,334 | 1,230 | 11 % | (3)% | 5,158 | 6,282 | (18)% |
| Deferred compensation (b) | 396 | 1,966 | (1,020) | 3,119 | 376 | (80)% | 5 % | 4,461 | (517) | NM |
| Gain on repurchases of debt | - | - | - | - | - | * | * | - | 5,761 | NM |
| Other (c) | 3,722 | 6,280 | 4,434 | 5,821 | 7,716 | (41)% | (52)% | 20,257 | 22,782 | (11)% |
| Total | \$ 23,658 | \$ 26,340 | \$ 22,851 | \$ 28,216 | \$ 29,087 | (10)% | (19)% | \$ 101,065 | \$ 108,408 | (7)% |
| Other Expense | | | | | | | | | | |
| Litigation and regulatory matters | \$ 4,300 | \$ 6,760 | \$ 22,100 | \$ 153 | \$ 694 | (36)% | NM | \$ 33,313 | \$ 41,279 | (19)% |
| Advertising and public relations | 5,915 | 4,121 | 3,153 | 4,250 | 4,965 | 44 % | 19 % | 17,439 | 16,884 | 3 % |
| Tax credit investments (d) | 4,198 | 5,635 | 4,214 | 4,608 | 5,974 | (26)% | (30)% | 18,655 | 20,356 | (8)% |
| Other insurance and taxes (e) | 3,078 | 1,327 | 3,130 | 3,199 | 3,395 | NM | (9)% | 10,734 | 13,721 | (22)% |
| Travel and entertainment | 2,058 | 2,009 | 2,435 | 1,864 | 2,342 | 2 % | (12)% | 8,366 | 8,324 | 1 % |
| Customer relations | 1,348 | 1,027 | 1,348 | 855 | 1,301 | 31 % | 4 % | 4,578 | 4,908 | (7)% |
| Employee training and dues | 1,171 | 1,032 | 1,230 | 1,092 | 1,172 | 13 % | * | 4,525 | 4,770 | (5)% |
| Supplies | 1,021 | 881 | 817 | 1,033 | 953 | 16 % | 7 % | 3,752 | 3,800 | (1)% |
| Bank examination costs | 816 | 816 | 800 | 799 | 1,127 | * | (28)% | 3,231 | 4,500 | (28)% |
| Loan insurance expense | 552 | 578 | 636 | 589 | 676 | (4)% | (18)% | 2,355 | 2,907 | (19)% |
| Federal services fees | 27 | 323 | 328 | 321 | 342 | (92)% | (92)% | 999 | 1,435 | (30)% |
| Other (f) (g) | 9,502 | 5,478 | 13,927 | 5,703 | 12,768 | 73 % | (26)% | 34,610 | 39,069 | (11)% |
| Total | \$ 33,986 | \$ 29,987 | \$ 54,118 | \$ 24,466 | \$ 35,709 | 13 % | (5)% | \$ 142,557 | \$ 161,953 | (12)% |

NM - Not meaningful

* Amount is less than one percent.

(a) 4Q11 includes \$2.0 million related to Visa volume incentives.

(b) Amounts driven by market conditions and are mirrored by changes in deferred compensation expense which is included in employee compensation expense.

(c) 1Q12 includes \$2.3 million associated with resolution of a legal matter. 4Q11 includes \$4.0 million of interest related to a tax refund.

(d) 3Q12 includes a \$1.5 million impairment of an investment.

(e) 3Q12 includes a \$1.8 million positive adjustment to franchise taxes.

(f) 4Q11 includes an \$8.3 million increase in derivative liabilities associated with prior sales of Visa shares related to the decline in the conversion ratio for Visa Class B shares.

(g) 3Q12 includes a \$1.8 million gain related to clean-up calls for first lien securitizations. 2Q12 includes a \$3.4 million increase in ancillary expenses associated with legacy mortgage wind-down activities and \$2.8 million related to the write-off of unrecoverable servicing advances.

FHN CONSOLIDATED PERIOD-END BALANCE SHEET

Quarterly, Unaudited

| (Thousands) | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 4Q12 Changes vs. | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|------------------|-------------|
| | | | | | | 3Q12 | 4Q11 |
| Assets | | | | | | | |
| Investment securities | \$ 3,061,808 | \$ 3,123,629 | \$ 3,264,866 | \$ 3,296,603 | \$ 3,066,272 | (2)% | * |
| Loans held-for-sale | 401,937 | 410,550 | 424,051 | 431,905 | 413,897 | (2)% | (3)% |
| Loans, net of unearned income (Restricted - \$.1 billion) (a) | 16,708,582 | 16,523,783 | 16,185,763 | 15,971,330 | 16,397,127 | 1% | 2% |
| Federal funds sold and securities purchased under agreements to resell | 636,383 | 529,688 | 525,504 | 614,705 | 443,588 | 20% | 43% |
| Interest-bearing cash (b) | 353,373 | 440,916 | 484,430 | 761,098 | 452,856 | (20)% | (22)% |
| Trading securities | 1,262,720 | 1,204,366 | 1,361,717 | 1,238,041 | 988,217 | 5% | 28% |
| Total earning assets | 22,424,803 | 22,232,932 | 22,246,331 | 22,313,682 | 21,761,957 | 1% | 3% |
| Cash and due from banks (a) | 469,879 | 355,978 | 330,931 | 349,604 | 384,667 | 32% | 22% |
| Capital markets receivables | 303,893 | 791,190 | 377,496 | 522,001 | 164,987 | (62)% | 84% |
| Mortgage servicing rights, net | 114,311 | 120,537 | 129,291 | 142,956 | 144,069 | (5)% | (21)% |
| Goodwill | 134,242 | 134,242 | 134,242 | 134,242 | 133,659 | * | * |
| Other intangible assets, net | 22,700 | 23,679 | 24,659 | 25,638 | 26,243 | (4)% | (14)% |
| Premises and equipment, net | 303,273 | 305,346 | 311,753 | 314,903 | 321,253 | (1)% | (6)% |
| Real estate acquired by foreclosure (c) | 60,690 | 70,779 | 69,603 | 78,947 | 85,244 | (14)% | (29)% |
| Allowance for loan losses (Restricted - \$4.3 million) (a) | (276,963) | (281,744) | (321,051) | (346,016) | (384,351) | (2)% | (28)% |
| Other assets (Restricted - \$1.9 million) (a) | 1,963,312 | 1,986,891 | 2,189,700 | 2,143,012 | 2,151,656 | (1)% | (9)% |
| Total assets (Restricted - \$.1 billion) (a) | \$ 25,520,140 | \$ 25,739,830 | \$ 25,492,955 | \$ 25,678,969 | \$ 24,789,384 | (1)% | 3% |
| Liabilities and Equity | | | | | | | |
| Deposits | | | | | | | |
| Savings | \$ 6,705,496 | \$ 6,608,534 | \$ 5,979,874 | \$ 6,615,289 | \$ 6,624,405 | 1% | 1% |
| Other interest-bearing deposits | 3,798,313 | 3,468,367 | 3,565,873 | 3,500,445 | 3,193,697 | 10% | 19% |
| Time deposits | 1,019,938 | 1,063,380 | 1,109,163 | 1,142,249 | 1,173,375 | (4)% | (13)% |
| Total interest-bearing core deposits | 11,523,747 | 11,140,281 | 10,654,910 | 11,257,983 | 10,991,477 | 3% | 5% |
| Noninterest-bearing deposits | 4,602,472 | 4,569,113 | 4,833,994 | 4,969,597 | 4,613,014 | 1% | * |
| Total core deposits (d) | 16,126,219 | 15,709,394 | 15,488,904 | 16,227,580 | 15,604,491 | 3% | 3% |
| Certificates of deposit \$100,000 and more | 503,490 | 518,717 | 628,539 | 707,590 | 608,518 | (3)% | (17)% |
| Total deposits | 16,629,709 | 16,228,111 | 16,117,443 | 16,935,170 | 16,213,009 | 2% | 3% |
| Federal funds purchased and securities sold under agreements to repurchase | 1,906,461 | 1,794,176 | 1,780,990 | 1,801,234 | 1,887,052 | 6% | 1% |
| Trading liabilities | 564,429 | 516,970 | 470,631 | 567,571 | 347,285 | 9% | 63% |
| Other short-term borrowings (e) | 441,201 | 856,958 | 1,094,179 | 181,570 | 172,550 | (49)% | NM |
| Term borrowings (Restricted - \$.1 billion) (a) | 2,226,482 | 2,263,238 | 2,294,224 | 2,340,706 | 2,481,660 | (2)% | (10)% |
| Capital markets payables | 296,450 | 574,201 | 203,548 | 361,018 | 164,708 | (48)% | 80% |
| Other liabilities | 946,202 | 974,288 | 1,017,534 | 817,527 | 838,483 | (3)% | 13% |
| Total liabilities (Restricted - \$.1 billion) (a) | 23,010,934 | 23,207,942 | 22,978,549 | 23,004,796 | 22,104,747 | (1)% | 4% |
| Equity | | | | | | | |
| Common stock (f) | 152,249 | 154,459 | 155,506 | 157,917 | 160,918 | (1)% | (5)% |
| Capital surplus (f) | 1,488,463 | 1,517,488 | 1,528,161 | 1,560,343 | 1,601,346 | (2)% | (7)% |
| Undivided profits | 719,672 | 681,460 | 658,157 | 785,361 | 757,364 | 6% | (5)% |
| Accumulated other comprehensive loss, net (g) | (146,343) | (116,684) | (122,583) | (124,613) | (130,156) | 25% | 12% |
| Noncontrolling interest (h) | 295,165 | 295,165 | 295,165 | 295,165 | 295,165 | * | * |
| Total equity | 2,509,206 | 2,531,888 | 2,514,406 | 2,674,173 | 2,684,637 | (1)% | (7)% |
| Total liabilities and equity | \$ 25,520,140 | \$ 25,739,830 | \$ 25,492,955 | \$ 25,678,969 | \$ 24,789,384 | (1)% | 3% |

NM - Not meaningful

* Amount is less than one percent.

(a) Restricted balances parenthetically presented are as of December 31, 2012.

(b) Includes excess balances held at Fed.

(c) 4Q12 includes \$18.9 million of foreclosed assets related to government insured mortgages.

(d) 4Q12 average core deposits were \$15.8 billion.

(e) 3Q12 and 2Q12 include increased FHLB borrowings as a result of deposit fluctuations and an increase in loans to mortgage companies.

(f) Decrease relates to shares purchased under the share repurchase program.

(g) 4Q12 change primarily driven by annual benefit plan remeasurement.

(h) Consists of preferred stock of subsidiary.

FHN CONSOLIDATED AVERAGE BALANCE SHEET
Quarterly, Unaudited

| (Thousands) | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 4Q12 Changes vs. | | Twelve months ended | | 2012 vs. |
|--|---------------|---------------|---------------|---------------|---------------|------------------|-------|---------------------|---------------|----------|
| | | | | | | 3Q12 | 4Q11 | 2012 | 2011 | 2011 |
| Assets: | | | | | | | | | | |
| Earning assets: | | | | | | | | | | |
| Loans, net of unearned income: | | | | | | | | | | |
| Commercial, financial, and industrial (C&I) | \$ 8,330,961 | \$ 8,237,939 | \$ 7,712,551 | \$ 7,709,856 | \$ 7,740,802 | 1 % | 8 % | \$ 7,994,102 | \$ 7,155,242 | 12 % |
| Income CRE | 1,174,127 | 1,192,905 | 1,236,016 | 1,255,713 | 1,295,079 | (2)% | (9)% | 1,217,392 | 1,343,309 | (9) % |
| Residential CRE | 63,647 | 79,107 | 94,531 | 111,823 | 132,669 | (20)% | (52)% | 89,609 | 192,395 | (53) % |
| Consumer real estate | 5,342,239 | 5,381,577 | 5,406,435 | 5,290,632 | 5,295,881 | (1)% | 1 % | 5,355,540 | 5,406,937 | (1) % |
| Permanent mortgage | 774,465 | 789,638 | 755,391 | 771,187 | 814,335 | (2)% | (5)% | 772,439 | 967,316 | (20) % |
| Credit card and other | 288,412 | 277,154 | 276,017 | 279,150 | 289,189 | 4 % | * | 280,197 | 295,402 | (5) % |
| Restricted and secured real estate loans | 429,448 | 453,985 | 479,327 | 622,931 | 654,142 | (5)% | (34)% | 496,124 | 696,217 | (29) % |
| Total loans, net of unearned income (Restricted - \$.1 billion) (a) (b) | 16,403,299 | 16,412,305 | 15,960,268 | 16,041,292 | 16,222,097 | * | 1 % | 16,205,403 | 16,056,818 | 1 % |
| Loans held-for-sale | 403,750 | 413,625 | 425,176 | 424,086 | 399,271 | (2)% | 1 % | 416,616 | 375,978 | 11 % |
| Investment securities: | | | | | | | | | | |
| U.S. treasuries | 43,909 | 42,551 | 42,424 | 40,088 | 42,935 | 3 % | 2 % | 42,248 | 57,832 | (27) % |
| U.S. government agencies | 2,774,175 | 2,894,104 | 2,981,090 | 2,802,651 | 2,919,690 | (4)% | (5)% | 2,862,848 | 2,880,624 | (1) % |
| States and municipalities | 17,169 | 17,970 | 18,005 | 18,070 | 17,681 | (4)% | (3)% | 17,802 | 21,703 | (18) % |
| Other | 222,058 | 220,324 | 223,924 | 224,000 | 224,530 | 1 % | (1)% | 222,569 | 222,796 | * |
| Total investment securities | 3,057,311 | 3,174,949 | 3,265,443 | 3,084,809 | 3,204,836 | (4)% | (5)% | 3,145,467 | 3,182,955 | (1) % |
| Capital markets securities inventory | 1,250,423 | 1,189,852 | 1,327,596 | 1,277,372 | 1,263,427 | 5 % | (1)% | 1,261,086 | 1,215,491 | 4 % |
| Mortgage banking trading securities | 18,844 | 20,112 | 22,841 | 25,797 | 26,927 | (6)% | (30)% | 21,885 | 30,992 | (29) % |
| Other earning assets: | | | | | | | | | | |
| Federal funds sold and securities purchased under agreements to resell | 610,959 | 560,143 | 632,019 | 632,972 | 641,464 | 9 % | (5)% | 608,895 | 634,573 | (4) % |
| Interest-bearing cash (c) | 522,529 | 402,378 | 518,124 | 821,113 | 479,621 | 30 % | 9 % | 565,470 | 462,319 | 22 % |
| Total other earning assets | 1,133,488 | 962,521 | 1,150,143 | 1,454,085 | 1,121,085 | 18 % | 1 % | 1,174,365 | 1,096,892 | 7 % |
| Total earning assets (Restricted - \$.1 billion) (a) | 22,267,115 | 22,173,364 | 22,151,467 | 22,307,441 | 22,237,643 | * | * | 22,224,822 | 21,959,126 | 1 % |
| Allowance for loan losses (Restricted - \$4.3 million) (a) | (306,583) | (309,810) | (336,642) | (372,264) | (424,774) | (1)% | (28)% | (331,198) | (535,391) | (38) % |
| Cash and due from banks (Restricted - \$.5 million) (a) | 349,002 | 339,098 | 337,366 | 351,760 | 337,755 | 3 % | 3 % | 344,305 | 344,593 | * |
| Capital markets receivables | 114,771 | 168,806 | 100,408 | 91,430 | 108,815 | (32)% | 5 % | 118,979 | 117,399 | 1 % |
| Premises and equipment, net | 303,921 | 306,709 | 312,313 | 317,621 | 323,569 | (1)% | (6)% | 310,115 | 324,222 | (4) % |
| Other assets (Restricted - \$1.9 million) (a) | 2,242,740 | 2,411,587 | 2,449,723 | 2,504,385 | 2,479,298 | (7)% | (10)% | 2,401,698 | 2,523,677 | (5) % |
| Total assets (Restricted - \$.1 billion) (a) | \$ 24,970,966 | \$ 25,089,754 | \$ 25,014,635 | \$ 25,200,373 | \$ 25,062,306 | * | * | \$ 25,068,721 | \$ 24,733,626 | 1 % |
| Liabilities and equity: | | | | | | | | | | |
| Interest-bearing liabilities: | | | | | | | | | | |
| Interest-bearing deposits: | | | | | | | | | | |
| Savings | \$ 6,529,453 | \$ 6,106,767 | \$ 6,290,143 | \$ 6,690,470 | \$ 6,559,779 | 7 % | * | \$ 6,403,738 | \$ 6,387,496 | * % |
| Other interest-bearing deposits | 3,469,711 | 3,426,864 | 3,512,390 | 3,246,658 | 2,991,676 | 1 % | 16 % | 3,414,094 | 2,808,158 | 22 % |
| Time deposits | 1,038,672 | 1,085,368 | 1,125,738 | 1,155,716 | 1,190,464 | (4)% | (13)% | 1,101,158 | 1,277,197 | (14) % |
| Total interest-bearing core deposits | 11,037,836 | 10,618,999 | 10,928,271 | 11,092,844 | 10,741,919 | 4 % | 3 % | 10,918,990 | 10,472,851 | 4 % |
| Certificates of deposit \$100,000 and more | 514,543 | 570,415 | 675,688 | 660,256 | 544,394 | (10)% | (5)% | 604,883 | 539,752 | 12 % |
| Federal funds purchased and securities sold under agreements to repurchase | 1,996,463 | 1,836,555 | 1,879,252 | 2,003,566 | 2,170,222 | 9 % | (8)% | 1,928,891 | 2,159,933 | (11) % |
| Capital markets trading liabilities | 597,402 | 544,422 | 602,344 | 614,084 | 629,019 | 10 % | (5)% | 589,461 | 609,772 | (3) % |
| Other short-term borrowings (d) | 272,578 | 967,303 | 377,075 | 182,083 | 362,579 | (72)% | (25)% | 450,690 | 290,344 | 55 % |
| Term borrowings (Restricted - \$.1 billion) (a) | 2,254,445 | 2,279,344 | 2,317,247 | 2,457,291 | 2,506,088 | (1)% | (10)% | 2,326,753 | 2,582,623 | (10) % |
| Total interest-bearing liabilities | 16,673,267 | 16,817,038 | 16,779,877 | 17,010,124 | 16,954,221 | (1)% | (2)% | 16,819,668 | 16,655,275 | 1 % |
| Noninterest-bearing deposits | 4,770,935 | 4,660,529 | 4,696,844 | 4,623,457 | 4,519,590 | 2 % | 6 % | 4,688,093 | 4,514,269 | 4 % |
| Capital markets payables | 81,941 | 116,680 | 73,312 | 71,180 | 68,662 | (30)% | 19 % | 85,852 | 82,612 | 4 % |
| Other liabilities | 901,380 | 965,180 | 786,886 | 814,417 | 785,356 | (7)% | 15 % | 867,327 | 776,386 | 12 % |
| Equity | 2,543,443 | 2,530,327 | 2,677,716 | 2,681,195 | 2,734,477 | 1 % | (7)% | 2,607,781 | 2,705,084 | (4) % |
| Total liabilities and equity (Restricted - \$.1 billion) (a) | \$ 24,970,966 | \$ 25,089,754 | \$ 25,014,635 | \$ 25,200,373 | \$ 25,062,306 | * | * | \$ 25,068,721 | \$ 24,733,626 | 1 % |

NM - Not meaningful

* Amount is less than one percent.

(a) Restricted balances parenthetically presented are quarterly averages as of December 31, 2012.

(b) Includes loans on nonaccrual status.

(c) Includes excess balances held at Fed.

(d) 2Q12 and 3Q12 include increased FHLB borrowings as a result of deposit fluctuations and an increase in loans to mortgage companies.

FHN CONSOLIDATED NET INTEREST INCOME (a)

Quarterly, Unaudited

| (Thousands) | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 4Q12 Changes vs. | |
|--|------------|------------|------------|------------|------------|------------------|-------|
| | | | | | | 3Q12 | 4Q11 |
| Interest Income: | | | | | | | |
| Loans, net of unearned income (b) | \$ 163,693 | \$ 165,368 | \$ 162,698 | \$ 163,070 | \$ 169,169 | (1)% | (3)% |
| Loans held-for-sale | 3,732 | 3,808 | 3,628 | 3,738 | 3,859 | (2)% | (3)% |
| Investment securities: | | | | | | | |
| U.S. treasuries | 11 | 11 | 39 | 66 | 67 | * | (84)% |
| U.S. government agencies | 19,536 | 21,759 | 23,562 | 23,768 | 25,262 | (10)% | (23)% |
| States and municipalities | 6 | 65 | 63 | 76 | 99 | (91)% | (94)% |
| Other | 2,495 | 2,323 | 2,324 | 2,422 | 2,264 | 7% | 10% |
| Total investment securities | 22,048 | 24,158 | 25,988 | 26,332 | 27,692 | (9)% | (20)% |
| Capital markets securities inventory | 7,565 | 7,998 | 9,204 | 8,934 | 9,789 | (5)% | (23)% |
| Mortgage banking trading securities | 534 | 569 | 578 | 642 | 675 | (6)% | (21)% |
| Other earning assets: | | | | | | | |
| Federal funds sold and securities purchased under agreements to resell (c) | 182 | 165 | 115 | - | (32) | 10% | NM |
| Interest-bearing cash | 287 | 202 | 280 | 446 | 213 | 42% | 35% |
| Total other earning assets | 469 | 367 | 395 | 446 | 181 | 28% | NM |
| Interest income | \$ 198,041 | \$ 202,268 | \$ 202,491 | \$ 203,162 | \$ 211,365 | (2)% | (6)% |
| Interest Expense: | | | | | | | |
| Interest-bearing deposits: | | | | | | | |
| Savings | \$ 4,617 | \$ 4,764 | \$ 4,744 | \$ 5,619 | \$ 5,921 | (3)% | (22)% |
| Other interest-bearing deposits | 1,268 | 1,455 | 1,655 | 1,518 | 1,407 | (13)% | (10)% |
| Time deposits | 4,639 | 5,169 | 5,541 | 5,916 | 6,363 | (10)% | (27)% |
| Total interest-bearing core deposits | 10,524 | 11,388 | 11,940 | 13,053 | 13,691 | (8)% | (23)% |
| Certificates of deposit \$100,000 and more | 1,725 | 1,975 | 2,305 | 2,306 | 2,166 | (13)% | (20)% |
| Federal funds purchased and securities sold under agreements to repurchase | 1,196 | 1,096 | 1,114 | 1,223 | 1,269 | 9% | (6)% |
| Capital markets trading liabilities | 2,536 | 2,556 | 2,843 | 2,515 | 3,363 | (1)% | (25)% |
| Other short-term borrowings | 132 | 347 | 36 | 142 | 171 | (62)% | (23)% |
| Term borrowings | 9,488 | 9,689 | 9,822 | 10,335 | 10,178 | (2)% | (7)% |
| Interest expense | 25,601 | 27,051 | 28,060 | 29,574 | 30,838 | (5)% | (17)% |
| Net interest income - tax equivalent basis | 172,440 | 175,217 | 174,431 | 173,588 | 180,527 | (2)% | (4)% |
| Fully taxable equivalent adjustment | (1,842) | (1,752) | (1,756) | (1,659) | (1,650) | (5)% | (12)% |
| Net interest income | \$ 170,598 | \$ 173,465 | \$ 172,675 | \$ 171,929 | \$ 178,877 | (2)% | (5)% |

NM - Not meaningful

* Amount is less than one percent.

(a) Net interest income adjusted to a fully taxable equivalent ("FTE") basis.

(b) Includes loans on nonaccrual status.

(c) 4Q11 driven by negative market rates on reverse repurchase agreements.

FHN CONSOLIDATED AVERAGE BALANCE SHEET: YIELDS AND RATES

Quarterly, Unaudited

| (Thousands) | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 |
|--|--------|--------|--------|--------|--------|
| Assets: | | | | | |
| Earning assets (a): | | | | | |
| Loans, net of unearned income: | | | | | |
| Commercial loans | 3.83 % | 3.81 % | 3.92 % | 3.90 % | 3.95 % |
| Retail loans | 4.18 | 4.30 | 4.33 | 4.32 | 4.42 |
| Total loans, net of unearned income (b) | 3.98 | 4.01 | 4.09 | 4.08 | 4.15 |
| Loans held-for-sale | 3.70 | 3.68 | 3.41 | 3.53 | 3.87 |
| Investment securities: | | | | | |
| U.S. treasuries | 0.10 | 0.11 | 0.37 | 0.66 | 0.62 |
| U.S. government agencies | 2.82 | 3.01 | 3.16 | 3.39 | 3.46 |
| States and municipalities | 0.13 | 1.44 | 1.39 | 1.68 | 2.23 |
| Other | 4.49 | 4.22 | 4.15 | 4.33 | 4.03 |
| Total investment securities | 2.88 | 3.04 | 3.18 | 3.41 | 3.46 |
| Capital markets securities inventory | 2.42 | 2.69 | 2.77 | 2.80 | 3.10 |
| Mortgage banking trading securities | 11.34 | 11.31 | 10.12 | 9.96 | 10.03 |
| Other earning assets: | | | | | |
| Federal funds sold and securities purchased under agreements to resell (c) | 0.12 | 0.12 | 0.07 | - | (0.02) |
| Interest-bearing cash | 0.22 | 0.20 | 0.22 | 0.22 | 0.18 |
| Total other earning assets | 0.16 | 0.15 | 0.14 | 0.12 | 0.06 |
| Interest income/total earning assets | 3.55 % | 3.64 % | 3.67 % | 3.65 % | 3.78 % |
| Liabilities: | | | | | |
| Interest-bearing liabilities: | | | | | |
| Interest-bearing deposits: | | | | | |
| Savings | 0.28 % | 0.31 % | 0.30 % | 0.34 % | 0.36 % |
| Other interest-bearing deposits | 0.15 | 0.17 | 0.19 | 0.19 | 0.19 |
| Time deposits | 1.78 | 1.89 | 1.98 | 2.06 | 2.12 |
| Total interest-bearing core deposits | 0.38 | 0.43 | 0.44 | 0.47 | 0.51 |
| Certificates of deposit \$100,000 and more | 1.33 | 1.38 | 1.37 | 1.40 | 1.58 |
| Federal funds purchased and securities sold under agreements to repurchase | 0.24 | 0.24 | 0.24 | 0.25 | 0.23 |
| Capital markets trading liabilities | 1.69 | 1.87 | 1.90 | 1.65 | 2.12 |
| Other short-term borrowings | 0.19 | 0.14 | 0.04 | 0.31 | 0.19 |
| Term borrowings (d) | 1.69 | 1.70 | 1.70 | 1.68 | 1.63 |
| Interest expense/total interest-bearing liabilities | 0.61 | 0.64 | 0.67 | 0.70 | 0.72 |
| Net interest spread | 2.94 % | 3.00 % | 3.00 % | 2.95 % | 3.06 % |
| Effect of interest-free sources used to fund earning assets | 0.15 | 0.15 | 0.16 | 0.17 | 0.17 |
| Net interest margin | 3.09 % | 3.15 % | 3.16 % | 3.12 % | 3.23 % |

Yields are adjusted to a fully taxable equivalent ("FTE") basis. Refer to the Non-GAAP to GAAP Reconciliation on page 28 for reconciliation of net interest income (GAAP) to net interest income adjusted for impact of FTE - (non-GAAP).

- (a) Earning assets yields are expressed net of unearned income.
- (b) Includes loans on nonaccrual status.
- (c) 4Q11 driven by negative market rates on reverse repurchase agreements.
- (d) Rates are expressed net of unamortized debenture cost for term borrowings.

FHN MORTGAGE SERVICING RIGHTS

Quarterly, Unaudited

| (Thousands) | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 4Q12 Changes vs. | |
|--|------------|------------|------------|------------|------------|------------------|--------|
| | | | | | | 3Q12 | 4Q11 |
| First Liens | | | | | | | |
| Fair value beginning balance | \$ 117,440 | \$ 126,085 | \$ 139,676 | \$ 140,724 | \$ 147,431 | | |
| Reductions due to loan payments | (5,592) | (6,050) | (6,665) | (5,499) | (3,567) | | |
| Reductions due to exercise of cleanup calls | - | (494) | - | - | - | | |
| Changes in fair value due to: | | | | | | | |
| Changes in valuation model inputs or assumptions (a) | (569) | (2,107) | (6,855) | 4,459 | (3,140) | | |
| Other changes in fair value | 35 | 6 | (71) | (8) | - | | |
| Fair value ending balance | \$ 111,314 | \$ 117,440 | \$ 126,085 | \$ 139,676 | \$ 140,724 | (5) % | (21) % |
| Second Liens | | | | | | | |
| Fair value beginning balance | \$ 205 | \$ 215 | \$ 222 | \$ 231 | \$ 241 | | |
| Reductions due to loan payments | (9) | (10) | (7) | (9) | (10) | | |
| Fair value ending balance | \$ 196 | \$ 205 | \$ 215 | \$ 222 | \$ 231 | (4) % | (15) % |
| HELOC | | | | | | | |
| Fair value beginning balance | \$ 2,892 | \$ 2,991 | \$ 3,058 | \$ 3,114 | \$ 3,131 | | |
| Reductions due to loan payments | (91) | (102) | (79) | (76) | (54) | | |
| Changes in fair value due to: | | | | | | | |
| Other changes in fair value | - | 3 | 12 | 20 | 37 | | |
| Fair value ending balance | \$ 2,801 | \$ 2,892 | \$ 2,991 | \$ 3,058 | \$ 3,114 | (3) % | (10) % |
| Total Consolidated | | | | | | | |
| Fair value beginning balance | \$ 120,537 | \$ 129,291 | \$ 142,956 | \$ 144,069 | \$ 150,803 | | |
| Reductions due to loan payments | (5,692) | (6,162) | (6,751) | (5,584) | (3,631) | | |
| Reductions due to exercise of cleanup calls | - | (494) | - | - | - | | |
| Changes in fair value due to: | | | | | | | |
| Changes in valuation model inputs or assumptions (a) | (569) | (2,107) | (6,855) | 4,459 | (3,140) | | |
| Other changes in fair value | 35 | 9 | (59) | 12 | 37 | | |
| Fair value ending balance | \$ 114,311 | \$ 120,537 | \$ 129,291 | \$ 142,956 | \$ 144,069 | (5) % | (21) % |

(a) Principally reflects changes in discount rates and prepayment speed assumptions, mostly due to changes in interest rates.

FHN BUSINESS SEGMENT HIGHLIGHTS

Quarterly, Unaudited

| (Thousands) | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 4Q12 Changes vs. | | Twelve Months Ended | | 2012 vs. 2011 |
|--|-------------|-------------|--------------|-------------|-------------|------------------|-------|---------------------|--------------|---------------|
| | | | | | | 3Q12 | 4Q11 | 2012 | 2011 | |
| Regional Banking | | | | | | | | | | |
| Net interest income | \$ 153,133 | \$ 150,352 | \$ 147,826 | \$ 146,681 | \$ 150,199 | 2 % | 2 % | \$ 597,992 | \$ 561,902 | 6 % |
| Noninterest income | 63,998 | 63,954 | 64,838 | 59,901 | 64,559 | * | (1)% | 252,691 | 266,828 | (5)% |
| Total revenues | 217,131 | 214,306 | 212,664 | 206,582 | 214,758 | 1 % | 1 % | 850,683 | 828,730 | 3 % |
| Provision/(provision credit) for loan losses | (1,227) | 2,927 | 4,828 | (7,426) | (12,654) | NM | 90 % | (898) | (61,505) | NM |
| Noninterest expense | 143,534 | 141,157 | 142,704 | 140,186 | 136,453 | 2 % | 5 % | 567,581 | 564,920 | * |
| Income before income taxes | 74,824 | 70,222 | 65,132 | 73,822 | 90,959 | 7 % | (18)% | 284,000 | 325,315 | (13)% |
| Provision for income taxes | 27,161 | 25,482 | 23,494 | 26,929 | 33,509 | 7 % | (19)% | 103,066 | 119,706 | (14)% |
| Net income | \$ 47,663 | \$ 44,740 | \$ 41,638 | \$ 46,893 | \$ 57,450 | 7 % | (17)% | \$ 180,934 | \$ 205,609 | (12)% |
| Capital Markets | | | | | | | | | | |
| Net interest income | \$ 4,252 | \$ 4,759 | \$ 5,613 | \$ 5,684 | \$ 5,527 | (11)% | (23)% | \$ 20,308 | \$ 22,090 | (8)% |
| Noninterest income | 72,432 | 80,808 | 74,964 | 106,775 | 88,230 | (10)% | (18)% | 334,979 | 355,739 | (6)% |
| Total revenues | 76,684 | 85,567 | 80,577 | 112,459 | 93,757 | (10)% | (18)% | 355,287 | 377,829 | (6)% |
| Noninterest expense (a) | 57,536 | 64,590 | 60,894 | 80,288 | 66,721 | (11)% | (14)% | 263,308 | 320,835 | (18)% |
| Income before income taxes | 19,148 | 20,977 | 19,683 | 32,171 | 27,036 | (9)% | (29)% | 91,979 | 56,994 | 61 % |
| Provision for income taxes | 7,186 | 7,899 | 7,419 | 12,246 | 10,302 | (9)% | (30)% | 34,750 | 21,608 | 61 % |
| Net income | \$ 11,962 | \$ 13,078 | \$ 12,264 | \$ 19,925 | \$ 16,734 | (9)% | (29)% | \$ 57,229 | \$ 35,386 | 62 % |
| Corporate | | | | | | | | | | |
| Net interest income/(expense) | \$ (8,204) | \$ (5,294) | \$ (4,732) | \$ (5,334) | \$ (4,366) | (55)% | (88)% | \$ (23,564) | \$ (6,472) | NM |
| Noninterest income | 6,019 | 7,933 | 3,838 | 9,266 | 9,865 | (24)% | (39)% | 27,056 | 69,338 | (61)% |
| Total revenues | (2,185) | 2,639 | (894) | 3,932 | 5,499 | NM | NM | 3,492 | 62,866 | (94)% |
| Noninterest expense (b) | 36,645 | 22,013 | 19,770 | 22,884 | 29,219 | 66 % | 25 % | 101,312 | 105,164 | (4)% |
| Income/(loss) before income taxes | (38,830) | (19,374) | (20,664) | (18,952) | (23,720) | NM | (64)% | (97,820) | (42,298) | NM |
| Provision/(benefit) for income taxes | (37,843) | (13,496) | (13,314) | (12,178) | (22,686) | NM | (67)% | (76,831) | (52,264) | (47)% |
| Net income/(loss) | \$ (987) | \$ (5,878) | \$ (7,350) | \$ (6,774) | \$ (1,034) | 83 % | 5 % | \$ (20,989) | \$ 9,966 | NM |
| Non-Strategic | | | | | | | | | | |
| Net interest income | \$ 21,417 | \$ 23,648 | \$ 23,968 | \$ 24,898 | \$ 27,517 | (9)% | (22)% | \$ 93,931 | \$ 123,312 | (24)% |
| Noninterest income | 3,994 | 10,843 | 15,267 | 26,499 | 18,542 | (63)% | (78)% | 56,603 | 94,106 | (40)% |
| Total revenues | 25,411 | 34,491 | 39,235 | 51,397 | 46,059 | (26)% | (45)% | 150,534 | 217,418 | (31)% |
| Provision for loan losses | 16,227 | 37,073 | 10,172 | 15,426 | 22,654 | (56)% | (28)% | 78,898 | 105,505 | (25)% |
| Noninterest expense (c) | 33,646 | 35,409 | 303,809 | 78,636 | 79,643 | (5)% | (58)% | 451,500 | 302,076 | 49 % |
| Loss before income taxes | (24,462) | (37,991) | (274,746) | (42,665) | (56,238) | 36 % | 57 % | (379,864) | (190,163) | NM |
| Benefit for income taxes | (9,418) | (14,625) | (105,777) | (16,427) | (21,651) | 36 % | 57 % | (146,247) | (73,214) | NM |
| Loss from continuing operations | (15,044) | (23,366) | (168,969) | (26,238) | (34,587) | 36 % | 57 % | (233,617) | (116,949) | NM |
| Income/(loss) from discontinued operations, net of tax | (12) | 108 | 487 | (435) | (752) | NM | 98 % | 148 | 8,618 | (98)% |
| Net loss | \$ (15,056) | \$ (23,258) | \$ (168,482) | \$ (26,673) | \$ (35,339) | 35 % | 57 % | \$ (233,469) | \$ (108,331) | NM |
| Total Consolidated | | | | | | | | | | |
| Net interest income | \$ 170,598 | \$ 173,465 | \$ 172,675 | \$ 171,929 | \$ 178,877 | (2)% | (5)% | \$ 688,667 | \$ 700,832 | (2)% |
| Noninterest income | 146,443 | 163,538 | 158,907 | 202,441 | 181,196 | (10)% | (19)% | 671,329 | 786,011 | (15)% |
| Total revenues | 317,041 | 337,003 | 331,582 | 374,370 | 360,073 | (6)% | (12)% | 1,359,996 | 1,486,843 | (9)% |
| Provision for loan losses | 15,000 | 40,000 | 15,000 | 8,000 | 10,000 | (63)% | 50 % | 78,000 | 44,000 | 77 % |
| Noninterest expense | 271,361 | 263,169 | 527,177 | 321,994 | 312,036 | 3 % | (13)% | 1,383,701 | 1,292,995 | 7 % |
| Income/(loss) before income taxes | 30,680 | 33,834 | (210,595) | 44,376 | 38,037 | (9)% | (19)% | (101,705) | 149,848 | NM |
| Provision/(benefit) for income taxes | (12,914) | 5,260 | (88,178) | 10,570 | (526) | NM | NM | (85,262) | 15,836 | NM |
| Income/(loss) from continuing operations | 43,594 | 28,574 | (122,417) | 33,806 | 38,563 | 53 % | 13 % | (16,443) | 134,012 | NM |
| Income/(loss) from discontinued operations, net of tax | (12) | 108 | 487 | (435) | (752) | NM | 98 % | 148 | 8,618 | (98)% |
| Net income/(loss) | \$ 43,582 | \$ 28,682 | \$ (121,930) | \$ 33,371 | \$ 37,811 | 52 % | 15 % | \$ (16,295) | \$ 142,630 | NM |

NM - Not meaningful

* Amount is less than one percent.

Certain previously reported amounts have been reclassified to agree with current presentation.

(a) 2011 includes \$36.7 million associated with a litigation settlement.

(b) 4Q12 includes \$18.3 million related to Restructuring, Repositioning, and Efficiency initiatives, primarily severance related costs associated with the VSP.

(c) 4Q12 and 3Q12 includes no charge to the repurchase and foreclosure provision. 2Q12 includes \$250.0 million charge to the repurchase and foreclosure provision primarily related to a revision in estimate based on information received from Fannie Mae.

FHN REGIONAL BANKING

Quarterly, Unaudited

| | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 4Q12 Changes vs. | |
|---|------------|------------|------------|------------|------------|------------------|-------|
| | | | | | | 3Q12 | 4Q11 |
| Income Statement (thousands) | | | | | | | |
| Net interest income | \$ 153,133 | \$ 150,352 | \$ 147,826 | \$ 146,681 | \$ 150,199 | 2 % | 2 % |
| Provision/(provision credit) for loan losses | (1,227) | 2,927 | 4,828 | (7,426) | (12,654) | NM | 90 % |
| Noninterest income: | | | | | | | |
| NSF / Overdraft fees (a) | \$ 13,582 | \$ 13,036 | \$ 12,263 | \$ 11,282 | \$ 13,466 | 4 % | 1 % |
| Cash management fees | 9,092 | 8,915 | 9,179 | 8,856 | 9,339 | 2 % | (3)% |
| Debit card income | 2,438 | 2,670 | 2,780 | 2,552 | 2,523 | (9)% | (3)% |
| Other | 5,744 | 5,625 | 5,799 | 5,952 | 5,906 | 2 % | (3)% |
| Total deposit transactions and cash management | 30,856 | 30,246 | 30,021 | 28,642 | 31,234 | 2 % | (1)% |
| Insurance commissions | 800 | 943 | 824 | 562 | 1,392 | (15)% | (43)% |
| Brokerage management fees and commissions | 8,979 | 8,700 | 8,758 | 8,496 | 7,569 | 3 % | 19 % |
| Trust services and investment management | 5,995 | 6,071 | 6,493 | 5,824 | 5,837 | (1)% | 3 % |
| Bankcard income (b) | 5,556 | 5,052 | 5,504 | 5,457 | 7,025 | 10 % | (21)% |
| Mortgage banking | 943 | 1,495 | 1,092 | 859 | 1,389 | (37)% | (32)% |
| Other service charges | 2,967 | 3,078 | 3,043 | 3,099 | 2,906 | (4)% | 2 % |
| Miscellaneous revenue | 7,902 | 8,369 | 9,103 | 6,962 | 7,207 | (6)% | 10 % |
| Total noninterest income | \$ 63,998 | \$ 63,954 | \$ 64,838 | \$ 59,901 | \$ 64,559 | * | (1)% |
| Noninterest expense: | | | | | | | |
| Employee compensation, incentives, and benefits | 59,321 | 58,492 | 59,116 | 59,261 | 55,543 | 1 % | 7 % |
| Other | 84,213 | 82,665 | 83,588 | 80,925 | 80,910 | 2 % | 4 % |
| Total noninterest expense | 143,534 | 141,157 | 142,704 | 140,186 | 136,453 | 2 % | 5 % |
| Income before income taxes | \$ 74,824 | \$ 70,222 | \$ 65,132 | \$ 73,822 | \$ 90,959 | 7 % | (18)% |
| Efficiency ratio (c) | 66.10 % | 65.87 % | 67.10 % | 67.86 % | 63.54 % | | |
| Balance Sheet (millions) | | | | | | | |
| Average loans | \$ 12,397 | \$ 12,221 | \$ 11,650 | \$ 11,533 | \$ 11,509 | 1 % | 8 % |
| Average other earning assets | 58 | 69 | 63 | 51 | 56 | (16)% | 4 % |
| Total average earning assets | 12,455 | 12,290 | 11,713 | 11,584 | 11,565 | 1 % | 8 % |
| Average core deposits | 14,451 | 14,312 | 14,413 | 13,991 | 13,402 | 1 % | 8 % |
| Average other deposits | 515 | 570 | 676 | 660 | 544 | (10)% | (5)% |
| Total average deposits | 14,966 | 14,882 | 15,089 | 14,651 | 13,946 | 1 % | 7 % |
| Total period-end deposits | 15,146 | 14,789 | 15,192 | 15,344 | 14,470 | 2 % | 5 % |
| Total period-end assets | 13,753 | 13,246 | 12,757 | 12,334 | 12,586 | 4 % | 9 % |
| Net interest margin (d) | 4.95 % | 4.92 % | 5.13 % | 5.14 % | 5.21 % | | |
| Net interest spread | 3.53 | 3.54 | 3.55 | 3.56 | 3.56 | | |
| Loan yield | 3.83 | 3.88 | 3.91 | 3.95 | 3.97 | | |
| Deposit average yield | 0.30 | 0.34 | 0.36 | 0.39 | 0.41 | | |
| Key Statistics | | | | | | | |
| Financial center locations | 171 | 173 | 173 | 174 | 176 | * | (3)% |
| Trust assets - total managed assets (millions) | \$ 3,948 | \$ 3,917 | \$ 3,837 | \$ 3,472 | \$ 3,345 | 1 % | 18 % |
| First lien mortgage production (millions) | \$ 38 | \$ 78 | \$ 46 | \$ 51 | \$ 68 | (51)% | (44)% |

NM - Not meaningful

* Amount is less than one percent.

Certain previously reported amounts have been reclassified to agree with current presentation.

(a) 1Q12 decline primarily attributable to seasonality in NSF fee structure.

(b) 4Q11 includes \$2.0 million related to Visa volume incentives.

(c) Noninterest expense divided by total revenue.

(d) Net interest margin is computed using total net interest income adjusted for FTE. Refer to the Non-GAAP to GAAP Reconciliation on page 28 of this supplement.

FHN CAPITAL MARKETS

Quarterly, Unaudited

| | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 4Q12 Changes vs. | |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|------------------|-------|
| | | | | | | 3Q12 | 4Q11 |
| Income Statement (thousands) | | | | | | | |
| Net interest income | \$ 4,252 | \$ 4,759 | \$ 5,613 | \$ 5,684 | \$ 5,527 | (11)% | (23)% |
| Noninterest income: | | | | | | | |
| Fixed income | 65,973 | 74,488 | 68,399 | 99,112 | 81,288 | (11)% | (19)% |
| Other | 6,459 | 6,320 | 6,565 | 7,663 | 6,942 | 2 % | (7)% |
| Total noninterest income | 72,432 | 80,808 | 74,964 | 106,775 | 88,230 | (10)% | (18)% |
| Noninterest expense | 57,536 | 64,590 | 60,894 | 80,288 | 66,721 | (11)% | (14)% |
| Income before income taxes | \$ 19,148 | \$ 20,977 | \$ 19,683 | \$ 32,171 | \$ 27,036 | (9)% | (29)% |
| Efficiency ratio (a) | 75.03 % | 75.48 % | 75.57 % | 71.39 % | 71.16 % | | |
| Fixed income average daily revenue | \$ 1,100 | \$ 1,182 | \$ 1,086 | \$ 1,599 | \$ 1,333 | (7)% | (17)% |
| Balance Sheet (millions) | | | | | | | |
| Average trading inventory | \$ 1,250 | \$ 1,190 | \$ 1,328 | \$ 1,277 | \$ 1,263 | 5 % | (1)% |
| Average other earning assets | 618 | 576 | 669 | 695 | 686 | 7 % | (10)% |
| Total average earning assets | 1,868 | 1,766 | 1,997 | 1,972 | 1,949 | 6 % | (4)% |
| Total period-end assets | 2,465 | 2,847 | 2,553 | 2,692 | 1,905 | (13)% | 29 % |
| Net interest margin (b) | 0.95 % | 1.12 % | 1.15 % | 1.18 % | 1.16 % | | |

Certain previously reported amounts have been reclassified to agree with current presentation.

(a) Noninterest expense divided by total revenue.

(b) Net interest margin is computed using total net interest income adjusted for FTE. Refer to the Non-GAAP to GAAP Reconciliation on page 28 of this supplement.

FHN CORPORATE
Quarterly, Unaudited

| | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 4Q12 Changes vs. | |
|---|-------------|-------------|-------------|-------------|-------------|------------------|-------|
| | | | | | | 3Q12 | 4Q11 |
| Income Statement (thousands) | | | | | | | |
| Net interest income/(expense) | \$ (8,204) | \$ (5,294) | \$ (4,732) | \$ (5,334) | \$ (4,366) | (55)% | (88)% |
| Noninterest income | 6,019 | 7,933 | 3,838 | 8,938 | 9,662 | (24)% | (38)% |
| Securities gains, net | - | - | - | 328 | 203 | NM | NM |
| Noninterest expense (a) (b) | 36,645 | 22,013 | 19,770 | 22,884 | 29,219 | 66 % | 25 % |
| Income/(loss) before income taxes | \$ (38,830) | \$ (19,374) | \$ (20,664) | \$ (18,952) | \$ (23,720) | NM | (64)% |
| Average Balance Sheet (millions) | | | | | | | |
| Average loans | \$ 189 | \$ 183 | \$ 124 | \$ 137 | \$ 152 | 3 % | 24 % |
| Total earning assets | \$ 3,750 | \$ 3,735 | \$ 3,884 | \$ 4,022 | \$ 3,815 | * | (2)% |
| Net interest margin (c) | (.85)% | (.54)% | (.51)% | (.55)% | (.42)% | | |

NM - Not meaningful

* Amount is less than one percent.

(a) 4Q12 includes \$18.3 million related to Restructuring, Repositioning, and Efficiency initiatives, primarily severance related costs associated with the VSP.

(b) 4Q11 includes an \$8.3 million increase in derivative liabilities associated with prior sales of Visa shares related to the decline in the conversion ratio for Visa Class B shares.

(c) Net interest margin is computed using total net interest income adjusted for FTE. Refer to the Non-GAAP to GAAP Reconciliation on page 28 of this supplement.

FHN NON-STRATEGIC
Quarterly, Unaudited

| | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 4Q12 Changes vs. | |
|--|-------------|-------------|--------------|-------------|-------------|------------------|-------|
| | | | | | | 3Q12 | 4Q11 |
| Income Statement (thousands) | | | | | | | |
| Net interest income | \$ 21,417 | \$ 23,648 | \$ 23,968 | \$ 24,898 | \$ 27,517 | (9)% | (22)% |
| Noninterest income: | | | | | | | |
| Mortgage warehouse valuation | (1,849) | (3,470) | 626 | 1,640 | 265 | 47 % | NM |
| Service fees | 12,967 | 13,778 | 14,984 | 17,202 | 13,368 | (6)% | (3)% |
| Change in MSR value - runoff | (5,592) | (6,049) | (6,665) | (5,498) | (3,567) | 8 % | (57)% |
| Net hedging results | 2,097 | 4,486 | 1,833 | 9,065 | 5,887 | (53)% | (64)% |
| Other income (a) | 1,071 | 2,098 | (576) | 4,090 | 2,589 | (49)% | (59)% |
| Total noninterest income | 8,694 | 10,843 | 10,202 | 26,499 | 18,542 | (20)% | (53)% |
| Securities gains/(losses), net (b) | (4,700) | - | 5,065 | - | - | NM | NM |
| Noninterest expense: | | | | | | | |
| Repurchase and foreclosure provision (c) | - | - | 250,000 | 49,256 | 45,032 | NM | NM |
| Other expenses (d) | 33,646 | 35,409 | 53,809 | 29,380 | 34,611 | (5)% | (3)% |
| Total noninterest expense | 33,646 | 35,409 | 303,809 | 78,636 | 79,643 | (5)% | (58)% |
| Provision for loan losses (e) | 16,227 | 37,073 | 10,172 | 15,426 | 22,654 | (56)% | (28)% |
| Loss before income taxes | \$ (24,462) | \$ (37,991) | \$ (274,746) | \$ (42,665) | \$ (56,238) | 36 % | 57 % |

| | | | | | | | |
|---|----------|----------|----------|----------|----------|------|-------|
| Average Balance Sheet (millions) | | | | | | | |
| Loans | \$ 3,817 | \$ 4,008 | \$ 4,186 | \$ 4,371 | \$ 4,562 | (5)% | (16)% |
| Loans held-for-sale | 344 | 333 | 330 | 316 | 304 | 3 % | 13 % |
| Trading securities | 19 | 20 | 23 | 26 | 27 | (5)% | (30)% |
| Mortgage servicing rights | 118 | 126 | 137 | 141 | 149 | (6)% | (21)% |
| Other assets | 267 | 286 | 304 | 336 | 313 | (7)% | (15)% |
| Total assets | 4,565 | 4,773 | 4,980 | 5,190 | 5,355 | (4)% | (15)% |
| Net interest margin (f) | 2.04 % | 2.15 % | 2.11 % | 2.11 % | 2.24 % | | |
| Efficiency ratio (g) | 111.74 % | 102.66 % | NM | 153.00 % | 172.92 % | | |

| | | | | | | | |
|---|--------|--------|--------|--------|--------|-----|------|
| Mortgage Warehouse - Period-end (millions) | | | | | | | |
| Ending warehouse balance (loans held-for-sale) | \$ 353 | \$ 339 | \$ 336 | \$ 323 | \$ 310 | 4 % | 14 % |

| | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|------|-------|
| Key Servicing Metrics (h) | | | | | | | |
| Ending servicing portfolio (millions) (i) | \$ 18,071 | \$ 19,149 | \$ 20,331 | \$ 21,610 | \$ 22,749 | (6)% | (21)% |
| Average servicing portfolio (millions) (i) | 18,607 | 19,728 | 20,978 | 22,184 | 23,466 | (6)% | (21)% |
| Average number of loans serviced (i) | 110,175 | 115,987 | 121,818 | 128,068 | 134,490 | (5)% | (18)% |

| | | | | | | | |
|--|-------|-------|-------|-------|-------|--|--|
| Portfolio Product Mix (average) | | | | | | | |
| GNMA (Ginnie) | 2 % | 2 % | 3 % | 3 % | 3 % | | |
| FNMA/FHLMC (Fannie/Freddie) | 32 | 33 | 35 | 35 | 35 | | |
| Private | 59 | 59 | 57 | 57 | 57 | | |
| Sub-total | 93 | 94 | 95 | 95 | 95 | | |
| FHN permanent mortgage portfolio and warehouse | 7 | 6 | 5 | 5 | 5 | | |
| Total | 100 % | 100 % | 100 % | 100 % | 100 % | | |

| | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|--|--|
| Other Portfolio Statistics | | | | | | | |
| Weighted average base servicing fee - legacy mortgage banking (bps) (j) | 34 | 34 | 34 | 34 | 34 | | |
| Weighted average base servicing fee - legacy equity lending (HELOCs and ILs) (bps) | 50 | 50 | 50 | 50 | 50 | | |
| Servicing cost per loan (annualized) (k) | \$ 279.08 | \$ 288.21 | \$ 280.71 | \$ 294.94 | \$ 292.79 | | |
| Servicing book value (bps) (l) (m) | 68 | 68 | 68 | 71 | 68 | | |
| 90+ delinquency rate, excluding foreclosures (n) | 10.89 % | 10.61 % | 10.94 % | 11.54 % | 12.11 % | | |

NM - Not meaningful

Certain previously reported amounts have been reclassified to agree with current presentation.

- (a) 2Q12 includes a \$2.3 million negative adjustment made as a result of contingencies related to prior servicing sales.
- (b) 4Q12 includes a \$4.7 million negative valuation adjustment related to an equity investment. 2Q12 includes a \$5.1 million gain on sale of venture capital investment.
- (c) 2Q12 represents \$250.0 million charge to the repurchase and foreclosure provision primarily related to a revision in estimate based on new information received from Fannie Mae.
- (d) 4Q12 includes \$4.3 million loss accrual related to pending legal matters. 3Q12 includes \$6.6 million related to a legal settlement. 2Q12 includes \$22.0 million loss accrual related to pending legal matters, \$3.4 million increase in ancillary expenses associated with legacy mortgage wind-down activities, and \$2.8 million related to the write-off of unrecoverable servicing advances.
- (e) 3Q12 increase largely associated with the implementation of regulatory guidance related to discharged bankruptcies.
- (f) Net interest margin is computed using total net interest income adjusted for FTE. Refer to the Non-GAAP to GAAP Reconciliation on page 28 of this supplement.
- (g) Noninterest expense divided by total revenue excluding securities gains/(losses).
- (h) Includes servicing of first liens, second liens, and HELOCs.
- (i) Includes mortgage loans serviced from FHN's legacy mortgage banking business, legacy equity lending serviced for others, and mortgage loans in portfolio and warehouse. Excludes UPB of loans transferred that did not qualify for sales treatment.
- (j) Includes weighted average fee of servicing assets and excess interest.
- (k) Calculated based on fees charged by subservicer divided by average number of loans serviced during the quarter.
- (l) Includes MSR and mortgage trading securities divided by total servicing portfolio.
- (m) For purposes of this calculation, MSR excludes servicing transferred that did not qualify for sales treatment due to certain recourse provisions.
- (n) Excludes delinquent second liens and HELOCs.

FHN CAPITAL HIGHLIGHTS

Quarterly, Unaudited

| (Dollars in thousands, except per share amounts) | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 4Q12 Changes vs. | |
|---|---------------|---------------|---------------|---------------|---------------|------------------|-------|
| | | | | | | 3Q12 | 4Q11 |
| Tier 1 capital (a) (b) | \$ 2,638,286 | \$ 2,641,392 | \$ 2,626,688 | \$ 2,841,064 | \$ 2,850,452 | * | (7)% |
| Tier 2 capital (a) | \$ 571,943 | \$ 570,429 | \$ 570,159 | \$ 687,530 | \$ 751,819 | * | (24)% |
| Total capital (a) (b) | \$ 3,210,229 | \$ 3,211,821 | \$ 3,196,847 | \$ 3,528,594 | \$ 3,602,271 | * | (11)% |
| Risk weighted assets ("RWA") (a) | \$ 20,211,000 | \$ 20,082,979 | \$ 20,022,430 | \$ 19,783,405 | \$ 20,026,412 | 1 % | 1 % |
| Tier 1 ratio (a) | 13.05 % | 13.15 % | 13.12 % | 14.36 % | 14.23 % | | |
| Tier 2 ratio (a) | 2.83 % | 2.84 % | 2.85 % | 3.48 % | 3.76 % | | |
| Total capital ratio (a) | 15.88 % | 15.99 % | 15.97 % | 17.84 % | 17.99 % | | |
| Tier 1 common ratio (a) (c) | 10.61 % | 10.69 % | 10.65 % | 11.86 % | 11.76 % | | |
| Leverage ratio (a) | 10.62 | 10.58 | 10.56 | 11.31 | 11.41 | | |
| Total equity to total assets | 9.83 | 9.84 | 9.86 | 10.41 | 10.83 | | |
| Adjusted tangible common equity to risk weighted assets ("TCE/RWA") (a) (c) (d) | 9.90 | 10.03 | 9.97 | 10.88 | 10.80 | | |
| Tangible common equity/tangible assets ("TCE/TA") (c) (e) | 8.11 | 8.13 | 8.13 | 8.70 | 9.05 | | |

* Amount is less than one percent.

Certain previously reported amounts have been reclassified to agree with current presentation.

(a) Current quarter is an estimate.

(b) All quarters presented include \$200 million of tier 1 qualifying trust preferred securities.

(c) Refer to the Non-GAAP to GAAP Reconciliation on page 28 of this financial supplement.

(d) See Glossary of Terms for definition of ratios.

(e) Calculated using period-end balances.

FHN ASSET QUALITY: CONSOLIDATED

Quarterly, Unaudited

| (Thousands) | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 4Q12 Changes vs. | |
|---|------------|------------|------------|------------|------------|------------------|-------|
| | | | | | | 3Q12 | 4Q11 |
| Allowance for Loan Losses Walk-Forward | | | | | | | |
| Beginning reserve | \$ 281,744 | \$ 321,051 | \$ 346,016 | \$ 384,351 | \$ 449,645 | (12)% | (37)% |
| Provision (a) | 15,000 | 40,000 | 15,000 | 8,000 | 10,000 | (63)% | 50 % |
| Charge-offs (b) (c) | (31,177) | (87,022) | (49,728) | (57,083) | (85,918) | (64)% | (64)% |
| Recoveries | 11,396 | 7,715 | 9,763 | 10,748 | 10,624 | 48 % | 7 % |
| Ending balance (Restricted - \$4.3 million) (d) | \$ 276,963 | \$ 281,744 | \$ 321,051 | \$ 346,016 | \$ 384,351 | (2)% | (28)% |
| Reserve for unfunded commitments | 4,145 | 4,572 | 4,434 | 5,358 | 6,945 | (9)% | (40)% |
| Total allowance for loan losses plus reserve for unfunded commitments | \$ 281,108 | \$ 286,316 | \$ 325,485 | \$ 351,374 | \$ 391,296 | (2)% | (28)% |
| Allowance for Loan Losses | | | | | | | |
| Regional Banking | \$ 128,210 | \$ 142,060 | \$ 156,060 | \$ 166,115 | \$ 187,791 | (10)% | (32)% |
| Non-Strategic | 148,753 | 139,684 | 164,991 | 179,901 | 196,560 | 6 % | (24)% |
| Corporate (e) | NM | NM | NM | NM | NM | NM | NM |
| Total allowance for loan losses | \$ 276,963 | \$ 281,744 | \$ 321,051 | \$ 346,016 | \$ 384,351 | (2)% | (28)% |
| Nonperforming Assets | | | | | | | |
| Regional Banking | | | | | | | |
| Nonperforming loans | \$ 131,834 | \$ 152,477 | \$ 178,650 | \$ 192,560 | \$ 199,000 | (14)% | (34)% |
| Foreclosed real estate (f) | 13,726 | 16,000 | 17,334 | 18,047 | 16,563 | (14)% | (17)% |
| Total Regional Banking | \$ 145,560 | \$ 168,477 | \$ 195,984 | \$ 210,607 | \$ 215,563 | (14)% | (32)% |
| Non-Strategic | | | | | | | |
| Nonperforming loans | \$ 133,286 | \$ 150,635 | \$ 149,564 | \$ 158,580 | \$ 154,893 | (12)% | (14)% |
| Nonperforming loans held-for-sale before fair value adjustments (g) | \$ 110,567 | \$ 94,265 | \$ 89,535 | \$ 100,841 | \$ 98,177 | 17 % | 13 % |
| Foreclosed real estate (f) | \$ 28,041 | \$ 34,589 | \$ 31,583 | \$ 41,085 | \$ 52,322 | (19)% | (46)% |
| Total Non-Strategic | \$ 271,894 | \$ 279,489 | \$ 270,682 | \$ 300,506 | \$ 305,392 | (3)% | (11)% |
| Corporate | | | | | | | |
| Nonperforming loans | \$ 1,915 | \$ 2,426 | \$ 207 | \$ 207 | \$ 207 | (21)% | NM |
| Total nonperforming assets | \$ 419,369 | \$ 450,392 | \$ 466,873 | \$ 511,320 | \$ 521,162 | (7)% | (20)% |
| Net Charge-Offs | | | | | | | |
| Regional Banking | \$ 12,623 | \$ 16,927 | \$ 14,883 | \$ 14,251 | \$ 31,823 | (25)% | (60)% |
| Non-Strategic | 7,158 | 62,380 | 25,082 | 32,084 | 43,471 | (89)% | (84)% |
| Total net charge-offs (b) (c) | \$ 19,781 | \$ 79,307 | \$ 39,965 | \$ 46,335 | \$ 75,294 | (75)% | (74)% |
| Consolidated Key Ratios (h) | | | | | | | |
| NPL % | 1.60 % | 1.85 % | 2.03 % | 2.20 % | 2.16 % | | |
| NPA % | 1.84 | 2.15 | 2.32 | 2.56 | 2.57 | | |
| Net charge-offs % (b) (c) | 0.48 | 1.92 | 1.01 | 1.16 | 1.84 | | |
| Allowance / loans | 1.66 | 1.71 | 1.98 | 2.17 | 2.34 | | |
| Allowance / NPL | 1.04 x | 0.92 x | 0.98 x | 0.98 x | 1.09 x | | |
| Allowance / NPA | 0.90 x | 0.79 x | 0.85 x | 0.84 x | 0.91 x | | |
| Allowance / charge-offs (b) (c) | 3.52 x | 0.89 x | 2.00 x | 1.86 x | 1.29 x | | |
| Other | | | | | | | |
| Loans past due 90 days or more (i) | 86,017 | \$ 82,953 | \$ 89,214 | \$ 97,672 | \$ 106,425 | 4 % | (19)% |
| Guaranteed portion (i) | 36,633 | 35,397 | 38,758 | 40,007 | 42,249 | 3 % | (13)% |
| Foreclosed real estate from government insured loans | 18,923 | 20,190 | 20,687 | 19,815 | 16,360 | (6)% | 16 % |
| Period-end loans, net of unearned income (millions) | 16,709 | 16,524 | 16,186 | 15,971 | 16,397 | 1 % | 2 % |
| Remaining unfunded commitments (millions) | 7,993 | 7,891 | 7,869 | 7,717 | 7,435 | 1 % | 8 % |

NM - Not meaningful

* Amount is less than one percent

(a) 3Q12 includes approximately \$30 million of loan loss provision associated with the implementation of regulatory guidance related to discharged bankruptcies.

(b) 4Q12 charge-offs reflect lower loss estimate for discharged bankruptcies based on the loan-level data obtained from new appraisals in fourth quarter.

(c) 3Q12 includes approximately \$40 million of charge-offs associated with the implementation of regulatory guidance related to discharged bankruptcies.

(d) Restricted balances parenthetically presented are as of December 31, 2012. See Glossary of Terms for definition of restricted balances.

(e) The valuation adjustment taken upon exercise of clean-up calls includes expected losses.

(f) Excludes foreclosed real estate from government-insured mortgages.

(g) The average negative fair value mark taken in 4Q12 was approximately 53% of unpaid principal balance.

(h) See Glossary of Terms for definitions of Consolidated Key Ratios.

(i) Includes loans held for sale.

FHN ASSET QUALITY: CONSOLIDATED

Quarterly, Unaudited

| | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 4Q12 Changes vs. | |
|--|----------|----------|----------|----------|----------|------------------|-------|
| | | | | | | 3Q12 | 4Q11 |
| Key Portfolio Details | | | | | | | |
| C&I | | | | | | | |
| Period-end loans (\$ millions) | \$ 8,797 | \$ 8,466 | \$ 7,982 | \$ 7,705 | \$ 8,015 | 4% | 10% |
| 30+ Delinq. % (a) | 0.22 % | 0.30 % | 0.29 % | 0.39 % | 0.15 % | | |
| NPL % | 1.39 | 1.78 | 1.97 | 2.00 | 2.02 | | |
| Charge-offs % (qtr. annualized) (b) | 0.24 | 0.25 | 0.42 | 0.08 | 1.62 | | |
| Allowance / loans % | 1.09 % | 1.26 % | 1.39 % | 1.55 % | 1.63 % | | |
| Allowance / charge-offs (b) | 4.84 x | 5.17 x | 3.44 x | 19.06 x | 1.04 x | | |
| Income CRE | | | | | | | |
| Period-end loans (\$ millions) | \$ 1,110 | \$ 1,162 | \$ 1,225 | \$ 1,247 | \$ 1,257 | (4)% | (12)% |
| 30+ Delinq. % (a) | 0.41 % | 0.21 % | 0.53 % | 0.73 % | 0.76 % | | |
| NPL % | 2.97 | 4.04 | 4.67 | 5.59 | 5.50 | | |
| Charge-offs % (qtr. annualized) | 0.30 | 0.79 | 0.52 | 2.41 | 0.44 | | |
| Allowance / loans % | 1.43 % | 1.94 % | 2.39 % | 2.64 % | 3.15 % | | |
| Allowance / charge-offs | 4.48 x | 2.40 x | 4.53 x | 1.09 x | 6.97 x | | |
| Residential CRE | | | | | | | |
| Period-end loans (\$ millions) | \$ 58 | \$ 69 | \$ 89 | \$ 100 | \$ 121 | (16)% | (52)% |
| 30+ Delinq. % (a) | - % | 1.19 % | 6.69 % | 1.06 % | 0.72 % | | |
| NPL % (c) | 21.63 | 24.46 | 43.53 | 43.77 | 37.87 | | |
| Charge-offs % (qtr. annualized) | NM | 4.29 | 5.74 | 5.70 | 5.96 | | |
| Allowance / loans % (c) | 7.01 % | 7.00 % | 13.69 % | 13.11 % | 13.20 % | | |
| Allowance / charge-offs | NM | 1.42 x | 2.25 x | 2.06 x | 2.02 x | | |
| Consumer Real Estate | | | | | | | |
| Period-end loans (\$ millions) | \$ 5,286 | \$ 5,319 | \$ 5,408 | \$ 5,392 | \$ 5,291 | (1)% | * |
| 30+ Delinq. % (a) | 1.34 % | 1.39 % | 1.29 % | 1.42 % | 1.70 % | | |
| NPL % (d) | 1.08 | 0.93 | 0.65 | 0.72 | 0.67 | | |
| Charge-offs % (qtr. annualized) (e) (f) | 0.58 | 4.09 | 1.49 | 1.99 | 1.85 | | |
| Allowance / loans % | 2.19 % | 1.90 % | 2.12 % | 2.26 % | 2.63 % | | |
| Allowance / charge-offs (e) (f) | 3.75 x | 0.46 x | 1.42 x | 1.15 x | 1.42 x | | |
| Permanent Mortgage | | | | | | | |
| Period-end loans (\$ millions) (g) | \$ 752 | \$ 791 | \$ 739 | \$ 751 | \$ 788 | (5)% | (5)% |
| 30+ Delinq. % (a) | 2.28 % | 2.82 % | 1.49 % | 2.16 % | 3.33 % | | |
| NPL % | 4.26 | 4.21 | 4.35 | 4.47 | 4.15 | | |
| Charge-offs % (qtr. annualized) | 0.97 | 1.09 | 1.36 | 2.08 | 2.74 | | |
| Allowance / loans % | 3.21 % | 3.15 % | 3.77 % | 3.62 % | 2.55 % | | |
| Allowance / charge-offs | 3.21 x | 2.91 x | 2.71 x | 1.70 x | 0.90 x | | |
| Credit Card and Other | | | | | | | |
| Period-end loans (\$ millions) | \$ 289 | \$ 286 | \$ 279 | \$ 271 | \$ 284 | 1% | 2% |
| 30+ Delinq. % (a) | 1.45 % | 1.43 % | 1.28 % | 1.26 % | 1.33 % | | |
| NPL % | 0.59 | 0.64 | 0.74 | 0.79 | 0.75 | | |
| Charge-offs % (qtr. annualized) | 4.00 | 3.37 | 3.82 | 2.22 | 5.60 | | |
| Allowance / loans % | 2.39 % | 2.22 % | 2.27 % | 2.27 % | 2.49 % | | |
| Allowance / charge-offs | 0.60 x | 0.68 x | 0.60 x | 0.99 x | 0.44 x | | |
| Restricted Real Estate Loans and Secured Borrowings | | | | | | | |
| Period-end loans (\$ millions) (h) | \$ 416 | \$ 431 | \$ 464 | \$ 505 | \$ 641 | (3)% | (35)% |
| 30+ Delinq. % (a) | 1.68 % | 2.35 % | 2.74 % | 2.71 % | 3.15 % | | |
| NPL % | 1.92 | 1.51 | 1.27 | 1.80 | 1.04 | | |
| Charge-offs % (qtr. annualized) (e) (f) | 1.88 | 9.73 | 3.15 | 2.52 | 3.63 | | |
| Allowance / loans % | 3.39 % | 3.54 % | 4.37 % | 5.04 % | 4.97 % | | |
| Allowance / charge-offs (e) (f) | 1.75 x | 0.35 x | 1.34 x | 1.62 x | 1.34 x | | |

NM - Not meaningful

* Amount is less than one percent

(a) 30+ Delinquency % includes all accounts delinquent more than one month and still accruing interest.

(b) 1Q12 includes recoveries of \$4.8 million; 4Q11 includes a \$20.6 million charge-off associated with one bank-related relationship (TRUP and bank holding company loan).

(c) 3Q12 decline is primarily driven by a large relationship that was upgraded to accrual status.

(d) 4Q12 and 3Q12 NPL levels affected by the implementation of regulatory guidance related to discharged bankruptcies.

(e) 4Q12 charge-offs reflect lower loss estimate for discharged bankruptcies based on the loan-level data obtained from new appraisals in fourth quarter.

(f) 3Q12 includes the impact of charge-offs associated with the implementation of regulatory guidance related to discharged bankruptcies.

(g) 3Q12 increase relates to exercise of cleanup calls.

(h) 4Q12 includes \$402.4 million of consumer real estate loans and \$13.2 million of permanent mortgage loans.

FHN ASSET QUALITY: REGIONAL BANKING

Quarterly, Unaudited

| | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 4Q12 Changes vs. | |
|---|-----------|-----------|-----------|-----------|-----------|------------------|-------|
| | | | | | | 3Q12 | 4Q11 |
| Total Regional Banking | | | | | | | |
| Period-end loans (\$ millions) | \$ 12,819 | \$ 12,462 | \$ 11,962 | \$ 11,582 | \$ 11,804 | 3 % | 9 % |
| 30+ Delinq. % (a) | 0.38 % | 0.45 % | 0.51 % | 0.59 % | 0.41 % | | |
| NPL % | 1.03 | 1.22 | 1.49 | 1.66 | 1.69 | | |
| Charge-offs % (qtr. annualized) | 0.41 | 0.55 | 0.51 | 0.50 | 1.10 | | |
| Allowance / loans % | 1.00 % | 1.14 % | 1.30 % | 1.43 % | 1.59 % | | |
| Allowance / charge-offs | 2.55 x | 2.11 x | 2.61 x | 2.90 x | 1.49 x | | |
| Key Portfolio Details | | | | | | | |
| C&I | | | | | | | |
| Period-end loans (\$ millions) | \$ 8,262 | \$ 7,929 | \$ 7,441 | \$ 7,160 | \$ 7,465 | 4 % | 11 % |
| 30+ Delinq. % (a) | 0.23 % | 0.32 % | 0.31 % | 0.41 % | 0.16 % | | |
| NPL % | 0.85 | 0.97 | 1.11 | 1.12 | 1.18 | | |
| Charge-offs % (qtr. annualized) (b) | 0.26 | 0.29 | 0.45 | 0.09 | 1.26 | | |
| Allowance / loans % | 0.95 % | 1.05 % | 1.14 % | 1.29 % | 1.36 % | | |
| Allowance / charge-offs (b) | 3.87 x | 3.71 x | 2.64 x | 14.78 x | 1.12 x | | |
| Income CRE | | | | | | | |
| Period-end loans (\$ millions) | \$ 1,095 | \$ 1,141 | \$ 1,183 | \$ 1,204 | \$ 1,208 | (4)% | (9)% |
| 30+ Delinq. % (a) | 0.41 % | 0.21 % | 0.55 % | 0.76 % | 0.43 % | | |
| NPL % | 2.78 | 3.78 | 4.34 | 5.28 | 5.08 | | |
| Charge-offs % (qtr. annualized) | 0.37 | 0.83 | 0.53 | 1.88 | 0.40 | | |
| Allowance / loans % | 1.33 % | 1.81 % | 2.14 % | 2.42 % | 2.95 % | | |
| Allowance / charge-offs | 3.38 x | 2.12 x | 3.99 x | 1.28 x | 7.08 x | | |
| Residential CRE | | | | | | | |
| Period-end loans (\$ millions) | \$ 53 | \$ 61 | \$ 79 | \$ 86 | \$ 93 | (13)% | (43)% |
| 30+ Delinq. % (a) | - % | 1.34 % | 7.53 % | 1.22 % | 0.40 % | | |
| NPL % (c) | 17.59 | 19.08 | 40.77 | 41.83 | 40.28 | | |
| Charge-offs % (qtr. annualized) | * | 5.07 | 2.26 | 6.64 | 7.38 | | |
| Allowance / loans % (c) | 7.19 % | 7.32 % | 14.72 % | 14.07 % | 14.33 % | | |
| Allowance / charge-offs | NM | 1.26 x | 6.24 x | 2.01 x | 1.82 x | | |
| Consumer Real Estate | | | | | | | |
| Period-end loans (\$ millions) | \$ 3,121 | \$ 3,047 | \$ 2,981 | \$ 2,861 | \$ 2,757 | 2 % | 13 % |
| 30+ Delinq. % (a) | 0.65 % | 0.75 % | 0.76 % | 0.86 % | 1.00 % | | |
| NPL % (d) | 0.67 | 0.63 | 0.39 | 0.45 | 0.44 | | |
| Charge-offs % (qtr. annualized) (e) (f) | 0.51 | 0.78 | 0.38 | 0.56 | 0.54 | | |
| Allowance / loans % | 0.81 % | 0.91 % | 0.94 % | 0.92 % | 1.13 % | | |
| Allowance / charge-offs (e) (f) | 1.59 x | 1.18 x | 2.48 x | 1.66 x | 2.13 x | | |
| Credit Card, Permanent Mortgage, and Other | | | | | | | |
| Period-end loans (\$ millions) | \$ 288 | \$ 284 | \$ 278 | \$ 271 | \$ 281 | 1 % | 2 % |
| 30+ Delinq. % (a) | 1.45 % | 1.40 % | 1.32 % | 1.40 % | 1.30 % | | |
| NPL % | 0.35 | 0.37 | 0.15 | 0.03 | 0.02 | | |
| Charge-offs % (qtr. annualized) | 3.42 | 2.92 | 2.99 | 2.38 | 3.08 | | |
| Allowance / loans % | 2.21 % | 2.13 % | 2.26 % | 2.20 % | 2.27 % | | |
| Allowance / charge-offs | 0.65 x | 0.75 x | 0.76 x | 0.91 x | 0.73 x | | |

ASSET QUALITY: CORPORATE

| | | | | | | | |
|------------------------------------|--------|--------|--------|--------|--------|-------|------|
| Permanent Mortgage | | | | | | | |
| Period-end loans (\$ millions) (g) | \$ 180 | \$ 201 | \$ 119 | \$ 127 | \$ 141 | (10)% | 28 % |
| 30+ Delinq. % (a) | 1.83 % | 2.12 % | 0.49 % | 1.33 % | 0.67 % | | |
| NPL % (d) | 1.06 | 1.21 | 0.17 | 0.16 | 0.15 | | |
| Charge-offs % (qtr. annualized) | NM | NM | NM | NM | NM | | |
| Allowance / loans % | NM | NM | NM | NM | NM | | |
| Allowance / charge-offs | NM | NM | NM | NM | NM | | |

NM - Not meaningful

* Amount is less than one percent

(a) 30+ Delinquency % includes all accounts delinquent more than one month and still accruing interest.

(b) 1Q12 includes recoveries of \$4.6 million; 4Q11 includes an \$11.7 million charge-off associated with one bank holding company loan.

(c) 3Q12 decline is primarily driven by a large relationship that was upgraded to accrual status.

(d) 4Q12 and 3Q12 NPL levels affected by the implementation of regulatory guidance related to discharged bankruptcies.

(e) 4Q12 charge-offs reflect lower loss estimate for discharged bankruptcies based on the loan-level data obtained from new appraisals in fourth quarter.

(f) 3Q12 includes the impact of charge-offs associated with the implementation of regulatory guidance related to discharged bankruptcies.

(g) 3Q12 increase relates to exercise of cleanup calls.

FHN ASSET QUALITY: NON-STRATEGIC

Quarterly, Unaudited

| | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 4Q12 Changes vs. | |
|--|----------|----------|----------|----------|----------|------------------|-------|
| | | | | | | 3Q12 | 4Q11 |
| Total Non-Strategic | | | | | | | |
| Period-end loans (\$ millions) | \$ 3,710 | \$ 3,861 | \$ 4,105 | \$ 4,262 | \$ 4,452 | (4)% | (17)% |
| 30+ Delinq. % (a) | 1.92 % | 2.06 % | 1.72 % | 1.89 % | 2.53 % | | |
| NPL % | 3.59 | 3.90 | 3.64 | 3.72 | 3.48 | | |
| Charge-offs % (qtr. annualized) | 0.75 | 6.19 | 2.41 | 2.95 | 3.78 | | |
| Allowance / loans % | 4.01 % | 3.62 % | 4.02 % | 4.22 % | 4.41 % | | |
| Allowance / charge-offs | 5.22 x | 0.56x | 1.64x | 1.39x | 1.14x | | |
| Key Portfolio Details | | | | | | | |
| C&I | | | | | | | |
| Period-end loans (\$ millions) | \$ 535 | \$ 537 | \$ 541 | \$ 546 | \$ 549 | * | (3)% |
| 30+ Delinq. % (a) | - % | * | - % | 0.12 % | - % | | |
| NPL % | 9.82 | 13.65 | 13.77 | 13.58 | 13.50 | | |
| Charge-offs % (qtr. annualized) | NM | NM | * | NM | 6.15 | | |
| Allowance / loans % | 3.37 % | 4.37 % | 4.78 % | 4.94 % | 5.29 % | | |
| Allowance / charge-offs | NM | NM | NM | NM | 0.84x | | |
| Income CRE | | | | | | | |
| Period-end loans (\$ millions) | \$ 15 | \$ 20 | \$ 42 | \$ 43 | \$ 49 | (25)% | (69)% |
| 30+ Delinq. % (a) | - % | - % | - % | - % | 8.84 % | | |
| NPL % | 17.16 | 18.84 | 14.07 | 14.45 | 15.93 | | |
| Charge-offs % (qtr. annualized) | NM | NM | 0.30 | 15.96 | 1.29 | | |
| Allowance / loans % | 9.02 % | 9.64 % | 9.51 % | 9.00 % | 8.08 % | | |
| Allowance / charge-offs | NM | NM | 31.70x | 0.50x | 6.09x | | |
| Residential CRE | | | | | | | |
| Period-end loans (\$ millions) | \$ 5 | \$ 8 | \$ 10 | \$ 13 | \$ 28 | (38)% | (82)% |
| 30+ Delinq. % (a) | - % | 0.07 % | - % | - % | 1.79 % | | |
| NPL % | 63.63 | 65.97 | 65.64 | 56.20 | 29.77 | | |
| Charge-offs % (qtr. annualized) | NM | NM | 30.43 | 1.59 | 1.70 | | |
| Allowance / loans % | 5.13 % | 4.58 % | 5.40 % | 6.96 % | 9.40 % | | |
| Allowance / charge-offs | NM | NM | 0.15x | 2.82x | 4.65x | | |
| Consumer Real Estate | | | | | | | |
| Period-end loans (\$ millions) | \$ 2,165 | \$ 2,272 | \$ 2,427 | \$ 2,531 | \$ 2,535 | (5)% | (15)% |
| 30+ Delinq. % (a) | 2.33 % | 2.26 % | 1.95 % | 2.06 % | 2.46 % | | |
| NPL % (b) | 1.67 | 1.33 | 0.96 | 1.04 | 0.92 | | |
| Charge-offs % (qtr. annualized) (c) (d) | 0.67 | 8.30 | 2.81 | 3.60 | 3.21 | | |
| Allowance / loans % | 4.17 % | 3.23 % | 3.56 % | 3.77 % | 4.27 % | | |
| Allowance / charge-offs (c) (d) | 6.06 x | 0.37x | 1.24x | 1.06x | 1.30x | | |
| Permanent Mortgage | | | | | | | |
| Period-end loans (\$ millions) | \$ 556 | \$ 574 | \$ 602 | \$ 604 | \$ 628 | (3)% | (11)% |
| 30+ Delinq. % (a) | 2.40 % | 3.05 % | 1.61 % | 2.25 % | 3.95 % | | |
| NPL % | 5.23 | 5.20 | 5.28 | 5.51 | 5.17 | | |
| Charge-offs % (qtr. annualized) | 1.32 | 1.46 | 1.67 | 2.59 | 3.46 | | |
| Allowance / loans % | 4.32 % | 4.32 % | 4.56 % | 4.45 % | 3.17 % | | |
| Allowance / charge-offs | 3.20x | 2.89x | 2.68x | 1.67x | 0.90x | | |
| Other Consumer | | | | | | | |
| Period-end loans (\$ millions) | \$ 18 | \$ 19 | \$ 19 | \$ 20 | \$ 22 | (5)% | (18)% |
| 30+ Delinq. % (a) | 2.82 % | 3.59 % | 3.52 % | 3.04 % | 2.85 % | | |
| NPL % | 9.23 | 9.41 | 9.32 | 10.39 | 9.83 | | |
| Charge-offs % (qtr. annualized) | 9.49 | 6.92 | 11.66 | NM | 30.70 | | |
| Allowance / loans % | 3.64 % | 2.37 % | 2.13 % | 2.68 % | 3.98 % | | |
| Allowance / charge-offs | 0.38 x | 0.35x | 0.18x | NM | 0.12x | | |
| Restricted Real Estate Loans and Secured Borrowings | | | | | | | |
| Period-end loans (\$ millions) (e) | \$ 416 | \$ 431 | \$ 464 | \$ 505 | \$ 641 | (3)% | (35)% |
| 30+ Delinq. % (a) | 1.68 % | 2.35 % | 2.74 % | 2.71 % | 3.15 % | | |
| NPL % | 1.92 | 1.51 | 1.27 | 1.80 | 1.04 | | |
| Charge-offs % (qtr. annualized) (c) (d) | 1.88 | 9.73 | 3.15 | 2.52 | 3.63 | | |
| Allowance / loans % | 3.39 % | 3.54 % | 4.37 % | 5.04 % | 4.97 % | | |
| Allowance / charge-offs (c) (d) | 1.75 x | 0.35x | 1.34x | 1.62x | 1.34x | | |

NM - Not meaningful

* Amount is less than one percent

(a) 30+ Delinquency % includes all accounts delinquent more than one month and still accruing interest.

(b) 4Q12 and 3Q12 NPL levels affected by the implementation of regulatory guidance related to discharged bankruptcies.

(c) 4Q12 charge-offs reflect lower loss estimate for discharged bankruptcies based on the loan-level data obtained from new appraisals in fourth quarter.

(d) 3Q12 includes the impact of charge-offs associated with the implementation of regulatory guidance related to discharged bankruptcies.

(e) 4Q12 includes \$402.4 million of consumer real estate loans and \$13.2 million of permanent mortgage loans.

FHN ROLLFORWARDS OF NONPERFORMING LOANS AND ORE INVENTORY

Unaudited

| (Millions) | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 |
|----------------------------|--------|--------|--------|--------|--------|
| NPL Rollforward (a) | | | | | |
| Beginning NPLs | \$ 216 | \$ 255 | \$ 270 | \$ 279 | \$ 341 |
| + Additions | 10 | 5 | 21 | 22 | 17 |
| + Principal increase | - | - | 1 | 1 | 1 |
| - Resolutions and payments | (29) | (18) | (20) | (19) | (39) |
| - Net charge-offs | (5) | (8) | (12) | (10) | (37) |
| - Transfer to ORE | - | (2) | (1) | (3) | (3) |
| - Upgrade to accrual | (22) | (16) | (4) | - | (1) |
| Ending NPLs | \$ 170 | \$ 216 | \$ 255 | \$ 270 | \$ 279 |

(a) Includes Commercial and One-Time Close Portfolios only.

| (Millions) | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 |
|--------------------------------------|---------|---------|---------|---------|---------|
| ORE Inventory Rollforward (a) | | | | | |
| Beginning balance | \$ 50.6 | \$ 48.9 | \$ 59.1 | \$ 68.9 | \$ 80.1 |
| Valuation adjustments | (1.5) | (2.7) | (2.1) | (3.1) | (3.5) |
| Adjusted balance | 49.1 | 46.2 | 57.0 | 65.8 | 76.6 |
| + New ORE | 7.5 | 11.9 | 6.0 | 8.1 | 13.0 |
| + Capitalized expenses | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 |
| Disposals: | | | | | |
| - Single transactions | (13.6) | (7.7) | (12.6) | (13.7) | (20.7) |
| - Bulk sales | (1.3) | - | (1.7) | (1.3) | (0.2) |
| Ending balance | \$ 41.8 | \$ 50.6 | \$ 48.9 | \$ 59.1 | \$ 68.9 |

(a) ORE excludes foreclosed assets related to government insured mortgages.

COMMERCIAL LOANS: PORTFOLIO METRICS

Unaudited

C&I Portfolio: \$8.8 Billion (52.6% of Total Loans) as of December 31, 2012

| | % OS |
|---|------|
| General Corporate, Commercial, and Business Banking Loans | 73% |
| Loans to Mortgage Companies | 21% |
| Trust Preferred Loans | 5% |
| Bank Holding Company Loans | 1% |

Income CRE Portfolio: \$1.1 Billion (6.6% of Total Loans)

| Top 10 States as of December 31, 2012 | % NPL | % OS |
|---------------------------------------|--------|------|
| Tennessee | 2.58% | 58% |
| North Carolina | 8.18% | 8% |
| Georgia | 1.84% | 6% |
| Florida | 3.88% | 5% |
| Alabama | -% | 4% |
| South Carolina | -% | 3% |
| Mississippi | 14.29% | 3% |
| Texas | 2.87% | 2% |
| New York | -% | 2% |
| Kentucky | -% | 2% |

FHN CONSUMER LOANS: PORTFOLIO METRICS

Unaudited

Consumer Real Estate (primarily Home Equity) Portfolio: \$5.7 Billion (34.0% of Total Loans) (a)

Origination LTV and FICO for Portfolio as of December 31, 2012

(excludes whole loan insurance)

| | Loan-to-Value | | | |
|---|---------------|-------------|-----------|------|
| | <=60% | 60% - <=80% | 80% - 90% | >90% |
| FICO score greater than or equal to 740 | 11% | 23% | 16% | 7% |
| FICO score 720-739 | 2% | 4% | 4% | 2% |
| FICO score 700-719 | 1% | 4% | 4% | 2% |
| FICO score 660-699 | 2% | 5% | 4% | 3% |
| FICO score 620-659 | -% | 1% | 1% | 1% |
| FICO score less than 620 | -% | 1% | -% | 1% |

Origination LTV and FICO for Portfolio - Regional Banking as of December 31, 2012

(excludes whole loan insurance)

| | Loan-to-Value | | | |
|---|---------------|-------------|-----------|------|
| | <=60% | 60% - <=80% | 80% - 90% | >90% |
| FICO score greater than or equal to 740 | 13% | 23% | 17% | 9% |
| FICO score 720-739 | 1% | 3% | 3% | 2% |
| FICO score 700-719 | 1% | 3% | 2% | 2% |
| FICO score 660-699 | 2% | 4% | 3% | 3% |
| FICO score 620-659 | 1% | 2% | 1% | 1% |
| FICO score less than 620 | -% | 1% | -% | 1% |

Origination LTV and FICO for Portfolio - Non-Strategic as of December 31, 2012

(excludes whole loan insurance)

| | Loan-to-Value | | | |
|---|---------------|-------------|-----------|------|
| | <=60% | 60% - <=80% | 80% - 90% | >90% |
| FICO score greater than or equal to 740 | 9% | 22% | 15% | 5% |
| FICO score 720-739 | 2% | 6% | 5% | 2% |
| FICO score 700-719 | 2% | 6% | 5% | 2% |
| FICO score 660-699 | 2% | 5% | 4% | 3% |
| FICO score 620-659 | -% | 1% | 1% | 1% |
| FICO score less than 620 | -% | -% | -% | 1% |

Consumer Real Estate Portfolio Detail:

| Vintage | Balances (\$B) | W/A Age (mo.) | Origination Characteristics | | | | | NCO's % |
|----------|-------------------|------------------|-----------------------------|---------|--------------|------|------------|---------|
| | | | CLTV | FICO | % Broker (b) | % TN | % 1st lien | QTD |
| pre-2003 | \$ 0.2 | 133 | 77% | 710 | 17% | 43% | 32% | 0.39% |
| 2003 | \$ 0.3 | 114 | 75% | 729 | 17% | 32% | 37% | 0.41% |
| 2004 | \$ 0.6 | 101 | 79% | 725 | 30% | 21% | 27% | 0.48% |
| 2005 | \$ 0.8 | 89 | 81% | 730 | 19% | 17% | 16% | 1.12% |
| 2006 | \$ 0.7 | 78 | 78% | 733 | 6% | 22% | 18% | 1.83% |
| 2007 | \$ 0.8 | 66 | 80% | 738 | 15% | 25% | 18% | 1.25% |
| 2008 | \$ 0.4 | 55 | 75% | 746 | 8% | 72% | 51% | 0.34% |
| 2009 | \$ 0.2 | 43 | 72% | 751 | -% | 86% | 59% | 0.21% |
| 2010 | \$ 0.3 | 29 | 80% | 750 | -% | 92% | 73% | 0.05% |
| 2011 | \$ 0.5 | 17 | 77% | 760 | -% | 89% | 86% | 0.04% |
| 2012 | \$ 0.9 | 6 | 76% | 764 | -% | 89% | 91% | -% |
| Total | \$ 5.7 | 61 | 78% | 742 (c) | 11% | 49% | 45% | 0.68% |

(a) For purposes of this disclosure, consumer real estate portfolio includes \$402.4 million of restricted real estate loans and secured borrowings.

(b) Correspondent and Wholesale.

(c) 742 average portfolio origination FICO; 733 weighted average portfolio FICO (refreshed).

Permanent Mortgage Portfolio: \$0.8 Billion (4.6% of Total Loans) (a) (b) (c)

| Origination LTV for Portfolio as of December 31, 2012: | Loan-to-Value | | | |
|--|---------------|-------------|-----------|------|
| | <= 60% | 60% - <=80% | 80% - 90% | >90% |
| | 19% | 71% | 5% | 5% |

Top 10 States as of December 31, 2012:

| | Del. % | % OS |
|----------------|--------|------|
| California | 0.92% | 25% |
| Texas | 9.53% | 9% |
| Washington | 5.39% | 8% |
| Virginia | 1.64% | 6% |
| Maryland | 1.36% | 5% |
| Arizona | 5.99% | 4% |
| North Carolina | 8.64% | 3% |
| Oregon | 11.71% | 3% |
| Tennessee | 5.48% | 3% |
| Florida | 13.34% | 3% |

(a) For purposes of this disclosure, permanent mortgage portfolio includes \$13.2 million of restricted real estate loans.

(b) Documentation type: 71% full doc; 24% stated; 5% other.

(c) Product type: 71% jumbo; 12% Alt A; 17% other.

FHN NON-GAAP TO GAAP RECONCILIATION

Quarterly, Unaudited

| <i>(Thousands)</i> | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 |
|--|---------------|---------------|---------------|---------------|---------------|
| Tangible Common Equity (Non-GAAP) | | | | | |
| (A) Total equity (GAAP) | \$ 2,509,206 | \$ 2,531,888 | \$ 2,514,406 | \$ 2,674,173 | \$ 2,684,637 |
| Less: Noncontrolling interest (a) | 295,165 | 295,165 | 295,165 | 295,165 | 295,165 |
| (B) Total common equity | \$ 2,214,041 | \$ 2,236,723 | \$ 2,219,241 | \$ 2,379,008 | \$ 2,389,472 |
| Less: Intangible assets (GAAP) (b) | 156,942 | 157,921 | 158,901 | 159,880 | 159,902 |
| (C) Tangible common equity (Non-GAAP) | \$ 2,057,099 | \$ 2,078,802 | \$ 2,060,340 | \$ 2,219,128 | \$ 2,229,570 |
| Less: Unrealized gains on AFS securities, net of tax | 55,250 | 63,923 | 63,679 | 67,077 | 67,069 |
| (D) Adjusted tangible common equity (Non-GAAP) (c) | \$ 2,001,849 | \$ 2,014,879 | \$ 1,996,661 | \$ 2,152,051 | \$ 2,162,501 |
| Tangible Assets (Non-GAAP) | | | | | |
| (E) Total assets (GAAP) | \$ 25,520,140 | \$ 25,739,830 | \$ 25,492,955 | \$ 25,678,969 | \$ 24,789,384 |
| Less: Intangible assets (GAAP) (b) | 156,942 | 157,921 | 158,901 | 159,880 | 159,902 |
| (F) Tangible assets (Non-GAAP) | \$ 25,363,198 | \$ 25,581,909 | \$ 25,334,054 | \$ 25,519,089 | \$ 24,629,482 |
| Period-end Shares Outstanding | | | | | |
| (G) Period-end shares outstanding | 243,598 | 247,134 | 248,810 | 252,667 | 257,468 |
| Tier 1 Common (Non-GAAP) | | | | | |
| (H) Tier 1 capital (d) (e) | \$ 2,638,286 | \$ 2,641,392 | \$ 2,626,688 | \$ 2,841,064 | \$ 2,850,452 |
| Less: Noncontrolling interest - FTBNA preferred stock (a) (f) | 294,816 | 294,816 | 294,816 | 294,816 | 294,816 |
| Less: Trust preferred (g) | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| (I) Tier 1 common (Non-GAAP) | \$ 2,143,470 | \$ 2,146,576 | \$ 2,131,872 | \$ 2,346,248 | \$ 2,355,636 |
| Risk Weighted Assets | | | | | |
| (J) Risk weighted assets (d) (e) | \$ 20,211,000 | \$ 20,082,979 | \$ 20,022,430 | \$ 19,783,405 | \$ 20,026,412 |
| Ratios | | | | | |
| (C)/(F) Tangible common equity to tangible assets ("TCE/TA") (Non-GAAP) | 8.11 % | 8.13 % | 8.13 % | 8.70 % | 9.05 % |
| (A)/(E) Total equity to total assets (GAAP) | 9.83 % | 9.84 % | 9.86 % | 10.41 % | 10.83 % |
| (C)/(G) Tangible book value per common share (Non-GAAP) | \$ 8.44 | \$ 8.41 | \$ 8.28 | \$ 8.78 | \$ 8.66 |
| (B)/(G) Book value per common share (GAAP) | \$ 9.09 | \$ 9.05 | \$ 8.92 | \$ 9.42 | \$ 9.28 |
| (I)/(J) Tier 1 common to risk weighted assets (Non-GAAP) (d) | 10.61 % | 10.69 % | 10.65 % | 11.86 % | 11.76 % |
| (H)/(E) Tier 1 capital to total assets (GAAP) (d) | 10.34 % | 10.26 % | 10.30 % | 11.06 % | 11.50 % |
| (D)/(J) Adjusted tangible common equity to risk weighted assets (Non-GAAP) ("TCE/RWA") (c) (d) | 9.90 % | 10.03 % | 9.97 % | 10.88 % | 10.80 % |
| Net interest income adjusted for impact of fully taxable equivalent ("FTE") (Non-GAAP) | | | | | |
| Regional Banking | | | | | |
| Net interest income (GAAP) | \$ 153,133 | \$ 150,352 | \$ 147,826 | \$ 146,681 | \$ 150,199 |
| FTE adjustment | 1,645 | 1,555 | 1,580 | 1,493 | 1,510 |
| Net interest income adjusted for impact of FTE (Non-GAAP) | \$ 154,778 | \$ 151,907 | \$ 149,406 | \$ 148,174 | \$ 151,709 |
| Capital Markets | | | | | |
| Net interest income (GAAP) | \$ 4,252 | \$ 4,759 | \$ 5,613 | \$ 5,684 | \$ 5,527 |
| FTE adjustment | 186 | 175 | 160 | 140 | 106 |
| Net interest income adjusted for impact of FTE (Non-GAAP) | \$ 4,438 | \$ 4,934 | \$ 5,773 | \$ 5,824 | \$ 5,633 |
| Corporate | | | | | |
| Net interest income (GAAP) | \$ (8,204) | \$ (5,294) | \$ (4,732) | \$ (5,334) | \$ (4,366) |
| FTE adjustment | 11 | 22 | 16 | 26 | 34 |
| Net interest income adjusted for impact of FTE (Non-GAAP) | \$ (8,193) | \$ (5,272) | \$ (4,716) | \$ (5,308) | \$ (4,332) |
| Non-Strategic | | | | | |
| Net interest income (GAAP) | \$ 21,417 | \$ 23,648 | \$ 23,968 | \$ 24,898 | \$ 27,517 |
| FTE adjustment | - | - | - | - | - |
| Net interest income adjusted for impact of FTE (Non-GAAP) | \$ 21,417 | \$ 23,648 | \$ 23,968 | \$ 24,898 | \$ 27,517 |
| Total Consolidated | | | | | |
| Net interest income (GAAP) | \$ 170,598 | \$ 173,465 | \$ 172,675 | \$ 171,929 | \$ 178,877 |
| FTE adjustment | 1,842 | 1,752 | 1,756 | 1,659 | 1,650 |
| Net interest income adjusted for impact of FTE (Non-GAAP) | \$ 172,440 | \$ 175,217 | \$ 174,431 | \$ 173,588 | \$ 180,527 |

Certain previously reported amounts have been reclassified to agree with current presentation.

- (a) Included in Total equity on the Consolidated Balance Sheet.
- (b) Includes goodwill and other intangible assets, net of amortization.
- (c) See Glossary of Terms for definition of ratio.
- (d) Current quarter is an estimate.
- (e) Defined by and calculated in conformity with bank regulations.
- (f) Represents FTBNA preferred stock included in noncontrolling interest.
- (g) Included in Term borrowings on the Consolidated Balance Sheet.

Adjusted Tangible Equity/RWA: Common shareholders' equity excluding intangible assets and unrealized gains/losses on available-for-sale securities divided by risk weighted assets.

Core Business Segments: Management treats regional banking, capital markets, and corporate as FHN's core businesses. Non-strategic has significant legacy assets and operations that are being wound down.

Discharged Bankruptcies: Secured loans discharged in bankruptcy. Such loans that have not been reaffirmed by the borrower are charged down to estimated collateral value less disposition costs (net realizable value).

Lower of Cost or Market ("LOCOM"): A method of accounting for certain assets by recording them at the lower of their historical cost or their current market value.

Restricted Real Estate Loans and Secured Borrowings: Restricted loans are assets of a consolidated variable interest entity that can be used only to settle obligations of the consolidated variable interest entity and liabilities of a consolidated variable interest entity for which creditors (or beneficial interest holders) do not have recourse to the general credit of the primary beneficiary. Line item also includes loans from nonconsolidated variable interest entities that did not qualify for sale treatment. Such loans secure borrowings that are classified as term borrowings.

Troubled Debt Restructuring ("TDR"): A restructuring of debt whereby a creditor for economic or legal reasons related to the borrower's financial difficulties grants a concession to the borrower that it would not otherwise consider. Such concession is granted in an attempt to protect as much of the creditor's investment as possible by increasing the probability of repayment.

Voluntary separation program ("VSP"): A program launched in October 2012 applicable to selected employees primarily in functions not managing customer relations.

Asset Quality - Consolidated Key Ratios

NPL %: Ratio is nonperforming loans in the loan portfolio to total period-end loans.

NPA %: Ratio is nonperforming assets related to the loan portfolio to total period-end loans plus foreclosed real estate and other assets.

Net charge-offs %: Ratio is annualized net charge-offs to total average loans.

Allowance / loans: Ratio is allowance for loan losses to total period-end loans.

Allowance / NPL: Ratio is allowance for loan losses to nonperforming loans in the loan portfolio.

Allowance / NPA: Ratio is allowance for loan losses to nonperforming assets related to the loan portfolio.

Allowance / charge-offs: Ratio is allowance for loan losses to annualized net charge-offs.
