



SECOND QUARTER 2013 FINANCIAL SUPPLEMENT

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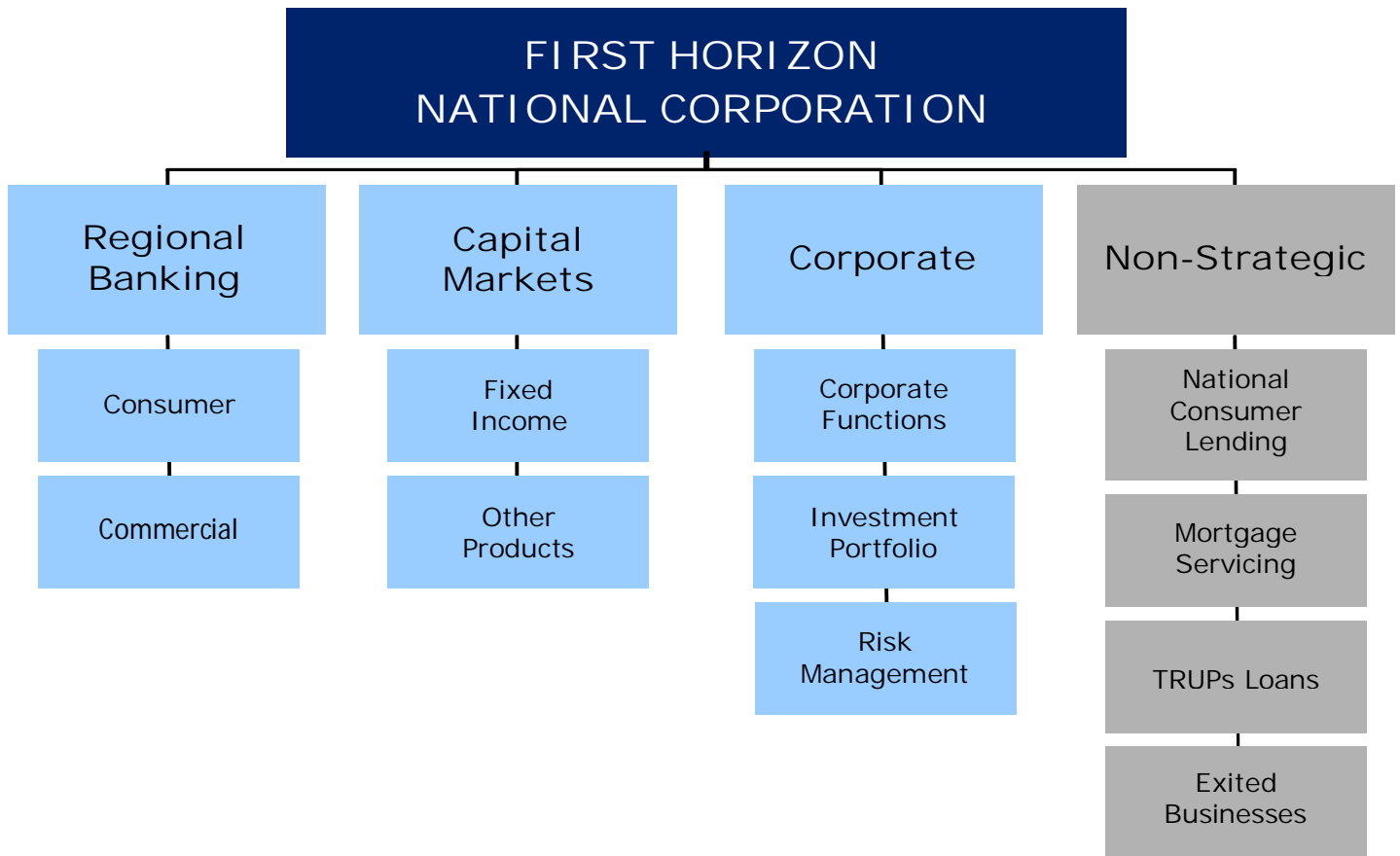
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Other Information

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 27 of this financial supplement.



FHN PERFORMANCE HIGHLIGHTS

(Second Quarter 2013 vs. First Quarter 2013)

Consolidated

- Net income available to common shareholders was \$40.8 million, or \$.17 per diluted share, compared to \$41.0 million, or \$.17 per diluted share in prior quarter
- Net interest income ("NII") decreased in second quarter to \$160.0 million from \$161.4 million; Net interest margin ("NIM") increased slightly to 2.96 percent from 2.95 percent in the prior quarter
 - The decrease in NII is primarily attributable to a decline in average loan balances (non-strategic loan portfolios and loans to mortgage companies), partially offset by the impact of day variance from prior quarter, declining rates on deposits, and an increase in loan fees
 - The increase in NIM is driven by a decrease in average excess cash held at the Fed, partially offset by declining yields on the investment portfolio and continued run-off of the non-strategic portfolio
- Noninterest income (including securities gains) was \$142.6 million in second quarter compared to \$156.4 million in first quarter
 - Decrease largely driven by lower fixed income sales revenue within capital markets and a decline in mortgage banking income in second quarter
- Noninterest expense was \$227.4 million in second quarter compared to \$240.5 million in first quarter
 - Decrease primarily driven by lower personnel expense in the corporate and capital markets segments and a reduction in losses from litigation and regulatory matters, partially offset by increased professional fees related to various consulting projects
- Average loans were \$15.9 billion in second quarter compared to \$16.1 billion in first quarter; period-end loans increased 2 percent to \$16.2 billion
 - Increase in the period-end loan portfolio driven by loan growth in the regional bank, partially offset by continued run-off within the non-strategic portfolios
- Average core deposits were \$15.7 billion in second and first quarters; period-end increased 5 percent to \$16.4 billion primarily driven by an increase in Promontory funds and approximately \$235 million in core deposits associated with the acquisition of substantially all of the assets and liabilities of Mountain National Bank ("MNB") from the FDIC

Regional Banking

- NII was \$147.3 million in second quarter compared to \$146.1 million in first quarter
 - The increase in NII is primarily attributable to the impact of day variance from prior quarter, an increase in loan fees, and declining rates on deposits, partially offset by lower cash basis NII and lower average loan balances (primarily loans to mortgage companies)
 - NIM was flat in second quarter relative to the prior quarter
- Period-end loans increased 4 percent, or \$506.0 million to \$12.6 billion in second quarter
 - Increase primarily driven by loans to mortgage companies and consumer real estate installment loans, coupled with the addition of approximately \$215 million in loans associated with the MNB acquisition
- Provision was \$13.2 million in second quarter compared to a provision credit of \$2.5 million in prior quarter
 - Provision reflects continued slower pace of favorable grade migration, reduction in pace of improvement for loss rates, and stabilizing asset quality metrics
- Noninterest income increased slightly to \$61.9 million in second quarter from \$59.1 million in first quarter
- Noninterest expense decreased to \$128.9 million in second quarter from \$130.3 million the prior quarter

Capital Markets

- Fixed income revenue decreased to \$58.5 million in second quarter from \$68.0 million in first quarter
 - Fixed income average daily revenue ("ADR") was \$.9 million in second quarter compared to \$1.1 million in prior quarter, reflecting significant market volatility and increase in interest rates in the latter part of the second quarter
- Noninterest expenses decreased to \$59.9 million in second quarter from \$61.7 million in first quarter
 - The expense decrease was due to a decline in variable compensation costs, partially offset by an increase in legal and professional fees

Corporate

- NII was negative \$10.0 million in second quarter compared to negative \$8.6 million in first quarter
 - Estimated effective duration of the securities portfolio was 3.2 years in second quarter compared to 1.9 years in first quarter
 - Estimated modified duration of the securities portfolio was 4.0 years in second quarter compared to 3.9 years in prior quarter
- Noninterest income was \$3.8 million in second quarter compared to \$7.9 million in first quarter
 - Decrease resulting from lower deferred compensation driven by market conditions and a reduction in BOLI driven by lower policy benefits relative to prior quarter; changes in deferred compensation income are mirrored by changes in deferred compensation expense

Non-Strategic

- NII decreased to \$18.6 million in second quarter from \$20.0 million in first quarter due to continued run-off of the loan portfolio
- Provision expense decreased to \$1.8 million in second quarter from \$17.5 million in prior quarter
 - Provision reflects runoff of the consumer portfolio as well as overall improved performance compared to first quarter
- Noninterest income was \$8.7 million in second quarter compared to \$12.8 million in first quarter
 - Largely driven by negative mortgage warehouse valuation due to the effect of interest rate increases on performing fixed mortgages
 - Second and first quarters include a gain of \$1.0 million and \$2.4 million, respectively, from the reversal of a previous LOCOM adjustment associated with TRUP loan payoff/sales
- Noninterest expense was \$21.5 million in second quarter, compared to \$30.9 million in the prior quarter
 - Second quarter includes a \$.9 million loss accrual related to pending legal matters compared to a \$5.2 million loss accrual in first quarter
 - Remaining decline largely driven by reductions consistent with the wind-down of legacy businesses
- The active repurchase pipeline decreased to \$234.7 million in second quarter from \$258.9 million in first quarter
 - The pipeline of repurchase/make whole requests, primarily composed of requests from Fannie/Freddie, was \$177.0 million as of the end of the second quarter, down from \$200.6 million in prior quarter

FHN PERFORMANCE HIGHLIGHTS (continued)

(Second Quarter 2013 vs. First Quarter 2013)

Asset Quality

- Allowance as a percentage of loans ratio was 162 basis points in second quarter compared to 167 basis points in prior quarter
 - Total reserves decreased to \$261.9 million from \$265.2 million in first quarter
 - The net decline in reserves was driven by the consumer portfolio, somewhat offset by reserve increases in the commercial portfolio
 - The commercial allowance reflects continued slower pace of improvement in loan grades and declining loss rates as well as stabilization of asset quality metrics
 - Increase in nonperforming loans ("NPL's") did not have a material effect on the allowance as estimated loss content associated with the stand-alone second liens had been contemplated in prior quarters
- Provision expense was flat at \$15.0 million in second quarter
- Net charge-offs were \$18.3 million in second quarter compared to \$26.7 million in prior quarter
 - Annualized net charge-offs decreased to 46 basis points of average loans from 67 basis points in prior quarter
 - Net charge-off decline driven by improvement in the consumer portfolio
- Total 30+ delinquencies were \$100.1 million in second quarter compared to \$106.6 million in prior quarter
 - Consumer real estate loans was the major contributor to this decline
- Nonperforming assets ("NPAs"), including loans held-for-sale, increased to \$506.7 million in second quarter from \$418.4 million in prior quarter
 - NPLs increased in second quarter as a result of placing approximately \$56 million of second liens on nonaccrual based on information received from a third party on the performance status of non-FHN serviced first liens in second quarter
 - Foreclosed real estate increased to \$51.8 million in second quarter compared to \$32.7 million in the prior quarter due to the MNB acquisition
- Troubled debt restructurings ("TDRs") were \$584.5 million at the end of second quarter compared with \$550.9 million in prior quarter

Taxes

- Second quarter includes \$8.2 million of positive effect from permanent tax benefits
 - \$1.5 million benefit related to discrete period tax items, specifically a decrease in unrecognized tax benefits
 - \$6.7 million in permanent tax benefits primarily related to tax credit investments, life insurance, and tax exempt interest

Capital and Liquidity

- Paid \$0.05 per common share dividend July 1, 2013
- Repurchased shares costing \$8.0 million in second quarter under the \$300 million share repurchase program
 - Repurchased shares costing \$213.0 million since the program's inception in fourth quarter 2011
 - Volume weighted average price for all share repurchases under the stock repurchase program of \$8.86 per share (before \$.03 per share broker commission)
- Prepaid \$40.0 million under a prepaid share repurchase arrangement related to the 2011 program; the final number of shares purchased under the arrangement will depend on FHN's stock price during the arrangement's term and will be delivered in third quarter 2013 when completed
- Paid preferred quarterly dividend of \$1.6 million on July 10, 2013
- \$250.0 million of subordinated notes and \$100.0 million of subordinated capital notes matured
- Capital ratios (regulatory capital ratios estimated based on period-end balances)
 - 7.95 percent for tangible common equity to tangible assets
 - 13.20 percent for Tier 1
 - 15.46 percent for Total Capital
 - 10.33 percent for Tier 1 Common
 - 11.07 percent for Leverage

FHN CONSOLIDATED SUMMARY RESULTS

Quarterly, Unaudited

| (Dollars in thousands, except per share data) | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 2Q13 Changes vs. | |
|--|--------------|--------------|--------------|--------------|--------------|------------------|-------|
| | | | | | | 1Q13 | 2Q12 |
| Income Statement Highlights | | | | | | | |
| Net interest income | \$160,019 | \$161,382 | \$170,598 | \$173,465 | \$172,675 | (1)% | (7)% |
| Noninterest income | 142,983 | 156,403 | 151,143 | 163,538 | 153,842 | (9)% | (7)% |
| Securities gains/(losses), net | (351) | 24 | (4,700) | - | 5,065 | NM | NM |
| Total revenue | 302,651 | 317,809 | 317,041 | 337,003 | 331,582 | (5)% | (9)% |
| Noninterest expense | 227,408 | 240,540 | 271,361 | 263,169 | 527,177 | (5)% | (57)% |
| Provision for loan losses | 15,000 | 15,000 | 15,000 | 40,000 | 15,000 | * | * |
| Income/(loss) before income taxes | 60,243 | 62,269 | 30,680 | 33,834 | (210,595) | (3)% | NM |
| Provision/(benefit) for income taxes | 15,008 | 17,730 | (12,914) | 5,260 | (88,178) | (15)% | NM |
| Income/(loss) from continuing operations | 45,235 | 44,539 | 43,594 | 28,574 | (122,417) | 2% | NM |
| Income/(loss) from discontinued operations, net of tax | 1 | 430 | (12) | 108 | 487 | NM | NM |
| Net income/(loss) | 45,236 | 44,969 | 43,582 | 28,682 | (121,930) | 1% | NM |
| Net income attributable to noncontrolling interest | 2,843 | 2,813 | 2,901 | 2,875 | 2,844 | 1% | * |
| Net income/(loss) attributable to controlling interest | 42,393 | 42,156 | 40,681 | 25,807 | (124,774) | 1% | NM |
| Preferred stock dividends | 1,550 | 1,188 | - | - | - | 30% | NM |
| Net income/(loss) available to common shareholders | \$40,843 | \$40,968 | \$40,681 | \$25,807 | \$(124,774) | * | NM |
| Common Stock Data | | | | | | | |
| Diluted EPS from continuing operations | \$0.17 | \$0.17 | \$0.17 | \$0.10 | \$(0.50) | * | NM |
| Diluted EPS | \$0.17 | \$0.17 | \$0.17 | \$0.10 | \$(0.50) | * | NM |
| Diluted shares (thousands) | 240,891 | 242,799 | 246,132 | 248,306 | 249,104 | (1)% | (3)% |
| Period-end shares outstanding (thousands) | 240,555 | 241,225 | 243,598 | 247,134 | 248,810 | * | (3)% |
| Cash dividends declared per share | \$0.05 | \$0.05 | \$0.01 | \$0.01 | \$0.01 | * | NM |
| Balance Sheet Highlights (Period-End) | | | | | | | |
| Total loans, net of unearned income (Restricted - \$1 billion) (a) | \$16,197,046 | \$15,889,670 | \$16,708,582 | \$16,523,783 | \$16,185,763 | 2% | * |
| Total deposits | 17,011,884 | 16,204,467 | 16,629,709 | 16,228,111 | 16,117,443 | 5% | 6% |
| Total assets (Restricted - \$1 billion) (a) | 25,133,274 | 25,166,427 | 25,520,140 | 25,739,830 | 25,492,955 | * | (1)% |
| Total liabilities (Restricted - \$1 billion) (a) | 22,586,923 | 22,566,700 | 23,010,934 | 23,207,942 | 22,978,549 | * | (2)% |
| Total equity | 2,546,351 | 2,599,727 | 2,509,206 | 2,531,888 | 2,514,406 | (2)% | 1% |
| Asset Quality Highlights | | | | | | | |
| Allowance for loan losses (Restricted - \$3.8 million) (a) | \$261,934 | \$265,218 | \$276,963 | \$281,744 | \$321,051 | (1)% | (18)% |
| Allowance / period-end loans | 1.62% | 1.67% | 1.66% | 1.71% | 1.98% | | |
| Net charge-offs | \$18,284 | \$26,745 | \$19,781 | \$79,307 | \$39,965 | (32)% | (54)% |
| Net charge-offs (annualized) / average loans | 0.46% | 0.67% | 0.48% | 1.92% | 1.01% | | |
| Non-performing assets (NPA) (b) | \$506,732 | \$418,385 | \$419,369 | \$450,391 | \$466,873 | 21% | 9% |
| NPA % (b) (c) | 2.25% | 1.81% | 1.84% | 2.15% | 2.32% | | |
| Key Ratios & Other | | | | | | | |
| Return on average assets (annualized) (d) | 0.74% | 0.73% | 0.69% | 0.45% | (1.96)% | | |
| Return on average common equity (annualized) (e) | 7.46% | 7.48% | 7.20% | 4.59% | (21.06)% | | |
| Net interest margin (f) (g) | 2.96% | 2.95% | 3.09% | 3.15% | 3.16% | | |
| Fee income to total revenue (h) | 47.19% | 49.22% | 46.98% | 48.53% | 47.12% | | |
| Efficiency ratio (i) | 75.05% | 75.69% | 84.34% | 78.09% | 161.45% | | |
| Book value per common share (j) | \$8.96 | \$9.16 | \$9.09 | \$9.05 | \$8.92 | | |
| Tangible book value per common share (g) (j) | \$8.25 | \$8.51 | \$8.44 | \$8.41 | \$8.28 | | |
| Adjusted tangible common equity to risk weighted assets (g) (k) | 9.61% | 9.91% | 9.93% | 10.03% | 9.97% | | |
| Market capitalization (millions) | \$2,694.2 | \$2,576.3 | \$2,414.1 | \$2,379.9 | \$2,152.2 | | |
| Full time equivalent employees | 4,296 | 4,381 | 4,507 | 4,585 | 4,619 | | |

NM - Not meaningful

* Amount is less than one percent.

(a) Restricted balances parenthetically presented are as of June 30, 2013.

(b) 2Q13 increase includes approximately \$56 million of second liens placed on nonaccrual based on information received from a third party on the performance status of non-FHN serviced first liens and approximately \$23 million MNB foreclosed real estate.

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

(d) Calculated using net income.

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

(f) Net interest margin is computed using total net interest income adjusted to a fully taxable equivalent ("FTE") basis.

(g) Refer to the Non-GAAP to GAAP Reconciliation on page 27 of this financial supplement.

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

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

(j) 2Q13 decrease due to \$40 million prepaid share repurchase agreement, shares will be delivered in 3Q13 when completed.

(k) Current quarter is an estimate.

FHN CONSOLIDATED INCOME STATEMENT

Quarterly, Unaudited

| (Thousands) | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 2Q13 Changes vs. | |
|--|------------------|-----------|-----------|-----------|-------------|------------------|-------|
| | | | | | | 1Q13 | 2Q12 |
| Interest income | \$183,991 | \$186,399 | \$196,199 | \$200,516 | \$200,735 | (1)% | (8)% |
| Less: interest expense | 23,972 | 25,017 | 25,601 | 27,051 | 28,060 | (4)% | (15)% |
| Net interest income | 160,019 | 161,382 | 170,598 | 173,465 | 172,675 | (1)% | (7)% |
| Provision for loan losses (a) | 15,000 | 15,000 | 15,000 | 40,000 | 15,000 | * | * |
| Net interest income after provision for loan losses | 145,019 | 146,382 | 155,598 | 133,465 | 157,675 | (1)% | (8)% |
| Noninterest income: | | | | | | | |
| Capital markets (b) | 69,265 | 79,163 | 72,483 | 80,773 | 74,913 | (13)% | (8)% |
| Mortgage banking | 5,589 | 9,373 | 8,287 | 10,373 | 9,889 | (40)% | (43)% |
| Deposit transactions and cash management | 28,254 | 27,656 | 30,952 | 30,352 | 30,123 | 2% | (6)% |
| Trust services and investment management | 6,950 | 6,328 | 5,979 | 6,055 | 6,477 | 10% | 7% |
| Brokerage, management fees and commissions | 10,540 | 9,348 | 8,980 | 8,699 | 8,759 | 13% | 20% |
| Insurance commissions | 730 | 600 | 804 | 946 | 830 | 22% | (12)% |
| Securities gains/(losses), net (c) | (351) | 24 | (4,700) | - | 5,065 | NM | NM |
| Other (d) | 21,655 | 23,935 | 23,658 | 26,340 | 22,851 | (10)% | (5)% |
| Total noninterest income | 142,632 | 156,427 | 146,443 | 163,538 | 158,907 | (9)% | (10)% |
| Adjusted gross income after provision for loan losses | 287,651 | 302,809 | 302,041 | 297,003 | 316,582 | (5)% | (9)% |
| Noninterest expense: | | | | | | | |
| Employee compensation, incentives, and benefits | 130,500 | 139,184 | 161,813 | 153,970 | 149,616 | (6)% | (13)% |
| Repurchase and foreclosure provision (e) | - | - | - | - | 250,000 | NM | NM |
| Operations services | 8,842 | 8,070 | 8,123 | 8,702 | 9,477 | 10% | (7)% |
| Occupancy | 11,785 | 12,822 | 12,363 | 13,059 | 11,486 | (8)% | 3% |
| Legal and professional fees | 14,065 | 11,171 | 11,971 | 12,295 | 8,417 | 26% | 67% |
| FDIC premium expense | 5,037 | 6,011 | 7,299 | 7,532 | 6,801 | (16)% | (26)% |
| Computer software | 9,608 | 10,076 | 10,333 | 10,260 | 9,960 | (5)% | (4)% |
| Contract employment and outsourcing | 8,581 | 9,039 | 9,052 | 10,187 | 10,844 | (5)% | (21)% |
| Equipment rentals, depreciation, and maintenance | 7,597 | 7,820 | 7,910 | 7,931 | 7,789 | (3)% | (2)% |
| Foreclosed real estate | 1,287 | 1,439 | 1,995 | 2,968 | 1,908 | (11)% | (33)% |
| Communications and courier | 4,531 | 4,437 | 4,613 | 4,722 | 4,484 | 2% | 1% |
| Miscellaneous loan costs | 1,163 | 996 | 924 | 577 | 1,298 | 17% | (10)% |
| Amortization of intangible assets | 928 | 928 | 979 | 979 | 979 | * | (5)% |
| Other (d) | 23,484 | 28,547 | 33,986 | 29,987 | 54,118 | (18)% | (57)% |
| Total noninterest expense | 227,408 | 240,540 | 271,361 | 263,169 | 527,177 | (5)% | (57)% |
| Income/(loss) before income taxes | 60,243 | 62,269 | 30,680 | 33,834 | (210,595) | (3)% | NM |
| Provision/(benefit) for income taxes (f) | 15,008 | 17,730 | (12,914) | 5,260 | (88,178) | (15)% | NM |
| Income/(loss) from continuing operations | 45,235 | 44,539 | 43,594 | 28,574 | (122,417) | 2% | NM |
| Income/(loss) from discontinued operations, net of tax | 1 | 430 | (12) | 108 | 487 | NM | NM |
| Net income/(loss) | 45,236 | 44,969 | 43,582 | 28,682 | (121,930) | 1% | NM |
| Net income attributable to noncontrolling interest | 2,843 | 2,813 | 2,901 | 2,875 | 2,844 | 1% | * |
| Net income attributable to controlling interest | 42,393 | 42,156 | 40,681 | 25,807 | (124,774) | 1% | NM |
| Preferred stock dividends | 1,550 | 1,188 | - | - | - | 30% | NM |
| Net income/(loss) available to common shareholders | \$40,843 | \$40,968 | \$40,681 | \$25,807 | \$(124,774) | * | 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) 2Q13 and 1Q13 include a gain of \$1.0 million and \$2.4 million, respectively, from a LOCOM reversal associated with a TRUP loan payoff within the non-strategic segment.

(c) 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.

(d) Refer to the Other Income and Other Expense table on page 8 for additional information.

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

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

FHN OTHER INCOME AND OTHER EXPENSE

Quarterly, Unaudited

| (Thousands) | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 2Q13 Changes vs. | |
|-----------------------------------|-----------------|------------------|------------------|------------------|------------------|------------------|--------------|
| | | | | | | 1Q13 | 2Q12 |
| Other Income | | | | | | | |
| Bank owned life insurance | \$3,946 | \$ 5,472 | \$ 5,081 | \$ 4,293 | \$ 4,659 | (28)% | (15)% |
| Bankcard income | 5,299 | 4,882 | 5,766 | 5,298 | 5,705 | 9% | (7)% |
| ATM and interchange fees | 2,627 | 2,384 | 2,724 | 2,579 | 2,669 | 10% | (2)% |
| Other service charges | 3,503 | 3,086 | 3,167 | 3,263 | 3,212 | 14% | 9% |
| Electronic banking fees | 1,585 | 1,562 | 1,610 | 1,589 | 1,632 | 1% | (3)% |
| Letter of credit fees | 1,196 | 1,499 | 1,192 | 1,072 | 1,560 | (20)% | (23)% |
| Deferred compensation (a) | (278) | 1,593 | 396 | 1,966 | (1,020) | NM | 73% |
| Other | 3,777 | 3,457 | 3,722 | 6,280 | 4,434 | 9% | (15)% |
| Total | \$21,655 | \$ 23,935 | \$ 23,658 | \$ 26,340 | \$ 22,851 | (10)% | (5)% |
| Other Expense | | | | | | | |
| Litigation and regulatory matters | \$ 900 | \$ 5,170 | \$ 4,300 | \$ 6,760 | \$ 22,100 | (83)% | (96)% |
| Advertising and public relations | 4,121 | 3,947 | 5,915 | 4,121 | 3,153 | 4% | 31% |
| Tax credit investments (b) | 2,989 | 2,972 | 4,198 | 5,635 | 4,214 | 1% | (29)% |
| Other insurance and taxes (c) | 3,076 | 3,046 | 3,078 | 1,327 | 3,130 | 1% | (2)% |
| Travel and entertainment | 2,372 | 1,848 | 2,058 | 2,009 | 2,435 | 28% | (3)% |
| Customer relations | 1,255 | 1,278 | 1,348 | 1,027 | 1,348 | (2)% | (7)% |
| Employee training and dues | 1,229 | 1,254 | 1,171 | 1,032 | 1,230 | (2)% | * |
| Supplies | 705 | 1,055 | 1,021 | 881 | 817 | (33)% | (14)% |
| Bank examination costs | 829 | 828 | 816 | 816 | 800 | * | 4% |
| Loan insurance expense | 503 | 540 | 552 | 578 | 636 | (7)% | (21)% |
| Federal services fees | 282 | 282 | 27 | 323 | 328 | * | (14)% |
| Other (d) | 5,223 | 6,327 | 9,502 | 5,478 | 13,927 | (17)% | (62)% |
| Total | \$23,484 | \$ 28,547 | \$ 33,986 | \$ 29,987 | \$ 54,118 | (18)% | (57)% |

NM - Not meaningful

* Amount is less than one percent.

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

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

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

(d) 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) | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 2Q13 Changes vs. | |
|---|--------------|--------------|--------------|--------------|--------------|------------------|-------|
| | | | | | | 1Q13 | 2Q12 |
| Assets: | | | | | | | |
| Investment securities | \$3,229,071 | \$3,190,219 | \$3,061,808 | \$3,123,629 | \$3,264,866 | 1% | (1)% |
| Loans held-for-sale | 385,105 | 390,874 | 401,937 | 410,550 | 424,051 | (1)% | (9)% |
| Loans, net of unearned income (Restricted - \$.1 billion) (a) | 16,197,046 | 15,889,670 | 16,708,582 | 16,523,783 | 16,185,763 | 2% | * |
| Federal funds sold | 52,169 | 33,738 | 34,492 | 12,425 | 44,961 | 55% | 16% |
| Securities purchased under agreements to resell | 602,126 | 732,696 | 601,891 | 517,263 | 480,543 | (18)% | 25% |
| Interest-bearing cash (b) | 344,150 | 431,182 | 353,373 | 440,916 | 484,430 | (20)% | (29)% |
| Trading securities | 1,267,348 | 1,397,746 | 1,262,720 | 1,204,366 | 1,361,717 | (9)% | (7)% |
| Total earning assets | 22,077,015 | 22,066,125 | 22,424,803 | 22,232,932 | 22,246,331 | * | (1)% |
| Cash and due from banks (Restricted- \$.1.2 million) (a) | 382,601 | 275,262 | 469,879 | 355,978 | 330,931 | 39% | 16% |
| Capital markets receivables | 429,801 | 533,306 | 303,893 | 791,120 | 377,496 | (19)% | 14% |
| Mortgage servicing rights, net | 113,853 | 109,102 | 114,311 | 120,537 | 129,291 | 4% | (12)% |
| Goodwill (c) | 147,762 | 134,242 | 134,242 | 134,242 | 134,242 | 10% | 10% |
| Other intangible assets, net | 23,144 | 21,772 | 22,700 | 23,679 | 24,659 | 6% | (6)% |
| Premises and equipment, net | 310,016 | 299,740 | 303,273 | 305,346 | 311,753 | 3% | (1)% |
| Real estate acquired by foreclosure (d) | 70,368 | 54,672 | 60,690 | 70,779 | 69,603 | 29% | 1% |
| Allowance for loan losses (Restricted - \$.3.8 million) (a) | (261,934) | (265,218) | (276,963) | (281,744) | (321,051) | (1)% | (18)% |
| Derivative assets | 235,759 | 274,332 | 292,472 | 334,025 | 340,810 | (14)% | (31)% |
| Other assets (Restricted - \$.1.7 million) (a) | 1,604,889 | 1,663,092 | 1,670,840 | 1,652,866 | 1,848,890 | (3)% | (13)% |
| Total assets (Restricted - \$.1 billion) (a) | \$25,133,274 | \$25,166,427 | \$25,520,140 | \$25,739,830 | \$25,492,955 | * | (1)% |
| Liabilities and Equity: | | | | | | | |
| Deposits: | | | | | | | |
| Savings | \$6,928,447 | \$6,498,832 | \$6,705,496 | \$6,608,534 | \$5,979,874 | 7% | 16% |
| Other interest-bearing deposits | 3,825,235 | 3,740,257 | 3,798,313 | 3,468,367 | 3,565,873 | 2% | 7% |
| Time deposits | 1,051,327 | 988,375 | 1,019,938 | 1,063,380 | 1,109,163 | 6% | (5)% |
| Total interest-bearing core deposits | 11,805,009 | 11,227,464 | 11,523,747 | 11,140,281 | 10,654,910 | 5% | 11% |
| Noninterest-bearing deposits | 4,603,954 | 4,454,045 | 4,602,472 | 4,569,113 | 4,833,994 | 3% | (5)% |
| Total core deposits (e) | 16,408,963 | 15,681,509 | 16,126,219 | 15,709,394 | 15,488,904 | 5% | 6% |
| Certificates of deposit \$100,000 and more | 602,921 | 522,958 | 503,490 | 518,717 | 628,539 | 15% | (4)% |
| Total deposits | 17,011,884 | 16,204,467 | 16,629,709 | 16,228,111 | 16,117,443 | 5% | 6% |
| Federal funds purchased | 1,142,749 | 1,361,670 | 1,351,023 | 1,350,806 | 1,417,590 | (16)% | (19)% |
| Securities sold under agreements to repurchase | 433,761 | 488,010 | 555,438 | 443,370 | 363,400 | (11)% | 19% |
| Trading liabilities | 596,869 | 781,306 | 564,429 | 516,970 | 470,631 | (24)% | 27% |
| Other short-term borrowings (f) | 446,909 | 186,898 | 441,201 | 856,958 | 1,094,179 | NM | (59)% |
| Term borrowings (Restricted - \$.1 billion) (a) (g) | 1,800,255 | 2,197,864 | 2,226,482 | 2,263,238 | 2,294,224 | (18)% | (22)% |
| Capital markets payables | 368,372 | 461,333 | 296,450 | 574,201 | 203,548 | (20)% | 81% |
| Derivative liabilities | 198,489 | 199,999 | 202,269 | 225,084 | 235,490 | (1)% | (16)% |
| Other liabilities | 587,635 | 685,153 | 743,933 | 749,204 | 782,044 | (14)% | (25)% |
| Total liabilities (Restricted - \$.1 billion) (a) | 22,586,923 | 22,566,700 | 23,010,934 | 23,207,942 | 22,978,549 | * | (2)% |
| Equity: | | | | | | | |
| Common stock (h) | 150,347 | 150,766 | 152,249 | 154,459 | 155,506 | * | (3)% |
| Capital surplus (h) (i) | 1,416,563 | 1,461,292 | 1,488,463 | 1,517,488 | 1,528,161 | (3)% | (7)% |
| Undivided profits | 777,108 | 748,427 | 719,672 | 681,460 | 658,157 | 4% | 18% |
| Accumulated other comprehensive loss, net (j) | (188,665) | (151,639) | (146,343) | (116,684) | (122,583) | 24% | 54% |
| Preferred stock | 95,624 | 95,624 | - | - | - | * | NM |
| Noncontrolling interest (k) | 295,374 | 295,257 | 295,165 | 295,165 | 295,165 | * | * |
| Total equity | 2,546,351 | 2,599,727 | 2,509,206 | 2,531,888 | 2,514,406 | (2)% | 1% |
| Total liabilities and equity | \$25,133,274 | \$25,166,427 | \$25,520,140 | \$25,739,830 | \$25,492,955 | * | (1)% |

NM - Not meaningful

* Amount is less than one percent.

(a) Restricted balances parenthetically presented are as of June 30, 2013.

(b) Includes excess balances held at Fed.

(c) 2Q13 increase driven by the MNB acquisition.

(d) 2Q13 includes \$18.6 million of foreclosed assets related to government insured mortgages.

(e) 2Q13 average core deposits were \$15.7 billion.

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

(g) In 2Q13 \$250.0 million of subordinated notes and \$100.0 million of subordinated capital notes matured.

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

(i) 2Q13 decrease related to \$40.0 million prepaid share repurchase agreement.

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

(k) Consists of preferred stock of subsidiary.

FHN CONSOLIDATED AVERAGE BALANCE SHEET

Quarterly, Unaudited

| (Thousands) | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 2Q13 Changes vs. | |
|--|--------------|--------------|--------------|--------------|--------------|------------------|-------|
| | | | | | | 1Q13 | 2Q12 |
| Assets: | | | | | | | |
| Earning assets: | | | | | | | |
| Loans, net of unearned income: | | | | | | | |
| Commercial, financial, and industrial (C&I) | \$8,121,219 | \$8,199,249 | \$8,330,961 | \$8,237,939 | \$7,712,551 | (1)% | 5% |
| Income CRE | 1,084,470 | 1,105,669 | 1,174,127 | 1,192,905 | 1,236,016 | (2)% | (12)% |
| Residential CRE | 49,798 | 55,798 | 63,647 | 79,107 | 94,531 | (11)% | (47)% |
| Consumer real estate | 5,561,689 | 5,644,275 | 5,757,724 | 5,819,620 | 5,864,713 | (1)% | (5)% |
| Permanent mortgage | 771,253 | 801,000 | 788,428 | 805,580 | 776,440 | (4)% | (1)% |
| Credit card and other | 304,561 | 291,221 | 288,412 | 277,154 | 276,017 | 5% | 10% |
| Total loans, net of unearned income | | | | | | | |
| (Restricted - \$.1 billion) (a) (b) | 15,892,990 | 16,097,212 | 16,403,299 | 16,412,305 | 15,960,268 | (1)% | * |
| Loans held-for-sale | 389,273 | 392,272 | 403,750 | 413,625 | 425,176 | (1)% | (8)% |
| Investment securities: | | | | | | | |
| U.S. treasuries | 40,815 | 44,107 | 43,909 | 42,551 | 42,424 | (7)% | (4)% |
| U.S. government agencies | 2,924,012 | 2,818,958 | 2,774,175 | 2,894,104 | 2,981,090 | 4% | (2)% |
| States and municipalities | 15,390 | 15,255 | 17,169 | 17,970 | 18,005 | 1% | (15)% |
| Other | 218,701 | 216,860 | 222,058 | 220,324 | 223,924 | 1% | (2)% |
| Total investment securities | 3,198,918 | 3,095,180 | 3,057,311 | 3,174,949 | 3,265,443 | 3% | (2)% |
| Capital markets securities inventory | 1,310,044 | 1,308,969 | 1,250,423 | 1,189,852 | 1,327,596 | * | (1)% |
| Mortgage banking trading securities | 16,398 | 17,486 | 18,844 | 20,112 | 22,841 | (6)% | (28)% |
| Other earning assets: | | | | | | | |
| Federal funds sold | 26,698 | 24,173 | 24,701 | 28,229 | 25,465 | 10% | 5% |
| Securities purchased under agreements to resell | 705,129 | 754,630 | 586,258 | 531,914 | 606,554 | (7)% | 16% |
| Interest-bearing cash (c) | 401,236 | 653,712 | 522,529 | 402,378 | 518,124 | (39)% | (23)% |
| Total other earning assets | 1,133,063 | 1,432,515 | 1,133,488 | 962,521 | 1,150,143 | (21)% | (1)% |
| Total earnings assets (Restricted - \$.1 billion) (a) | 21,940,686 | 22,343,634 | 22,267,115 | 22,173,364 | 22,151,467 | (2)% | (1)% |
| Allowance for loan losses (Restricted - \$3.8 million) (a) | (260,944) | (270,385) | (306,583) | (309,810) | (336,642) | (3)% | (22)% |
| Cash and due from banks (Restricted - \$1.7 million) (a) | 342,053 | 348,581 | 349,002 | 339,098 | 337,366 | (2)% | 1% |
| Capital markets receivables | 113,806 | 121,891 | 114,771 | 168,806 | 100,408 | (7)% | 13% |
| Premises and equipment, net | 302,263 | 299,846 | 303,921 | 306,709 | 312,313 | 1% | (3)% |
| Derivative assets | 257,181 | 286,243 | 317,076 | 325,917 | 338,408 | (10)% | (24)% |
| Other assets (Restricted - \$1.7 million) (a) | 1,903,727 | 1,948,417 | 1,925,664 | 2,085,670 | 2,111,315 | (2)% | (10)% |
| Total assets (Restricted - \$.1 billion) (a) | \$24,598,772 | \$25,078,227 | \$24,970,966 | \$25,089,754 | \$25,014,635 | (2)% | (2)% |
| Liabilities and equity: | | | | | | | |
| Interest-bearing liabilities: | | | | | | | |
| Interest-bearing deposits: | | | | | | | |
| Savings | \$6,516,889 | \$6,593,590 | \$6,529,453 | \$6,106,767 | \$6,290,143 | (1)% | 4% |
| Other interest-bearing deposits | 3,645,674 | 3,709,988 | 3,469,711 | 3,426,864 | 3,512,390 | (2)% | 4% |
| Time deposits | 998,762 | 1,004,887 | 1,038,672 | 1,085,368 | 1,125,738 | (1)% | (11)% |
| Total interest-bearing core deposits | 11,161,325 | 11,308,465 | 11,037,836 | 10,618,999 | 10,928,271 | (1)% | 2% |
| Certificates of deposit \$100,000 and more | 542,244 | 516,785 | 514,543 | 570,415 | 675,688 | 5% | (20)% |
| Federal funds purchased | 1,224,070 | 1,479,316 | 1,538,970 | 1,448,347 | 1,523,974 | (17)% | (20)% |
| Securities sold under agreements to repurchase | 480,960 | 572,666 | 457,493 | 388,208 | 355,278 | (16)% | 35% |
| Capital markets trading liabilities | 718,309 | 779,409 | 597,402 | 544,422 | 602,344 | (8)% | 19% |
| Other short-term borrowings (d) | 525,493 | 209,376 | 272,578 | 967,303 | 377,075 | NM | 39% |
| Term borrowings (Restricted - \$.1 billion) (a) (e) | 2,007,372 | 2,221,297 | 2,254,445 | 2,279,344 | 2,317,247 | (10)% | (13)% |
| Total interest-bearing liabilities | 16,659,773 | 17,087,314 | 16,673,267 | 16,817,038 | 16,779,877 | (3)% | (1)% |
| Noninterest-bearing deposits | 4,493,440 | 4,441,411 | 4,770,935 | 4,660,529 | 4,696,844 | 1% | (4)% |
| Capital markets payables | 74,389 | 91,539 | 81,941 | 116,680 | 73,312 | (19)% | 1% |
| Derivative liabilities | 184,192 | 194,892 | 211,598 | 220,309 | 230,440 | (5)% | (20)% |
| Other liabilities | 598,854 | 683,596 | 689,782 | 744,871 | 556,446 | (12)% | 8% |
| Total liabilities (Restricted - \$.1 billion) (a) | 22,010,648 | 22,498,752 | 22,427,523 | 22,559,427 | 22,336,919 | (2)% | (1)% |
| Equity: | | | | | | | |
| Common stock | 150,468 | 151,613 | 153,691 | 155,232 | 156,774 | (1)% | (4)% |
| Capital surplus | 1,430,998 | 1,476,797 | 1,507,087 | 1,526,772 | 1,543,931 | (3)% | (7)% |
| Undivided profits | 771,953 | 742,070 | 705,835 | 671,073 | 802,215 | 4% | (4)% |
| Accumulated other comprehensive loss, net | (156,178) | (150,093) | 765,510 | (117,915) | (120,369) | (4)% | (30)% |
| Preferred stock | 95,624 | 63,831 | - | - | - | 50% | NM |
| Noncontrolling interest | 295,259 | 295,257 | 295,165 | 295,165 | 295,165 | * | * |
| Total equity | 2,588,124 | 2,579,475 | 2,543,443 | 2,530,327 | 2,677,716 | * | (3)% |
| Total liabilities and equity | \$24,598,772 | \$25,078,227 | \$24,970,966 | \$25,089,754 | \$25,014,635 | (2)% | (2)% |

NM - Not meaningful

* Amount is less than one percent.

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

(a) Restricted balances parenthetically presented are quarterly averages as of June 30, 2013.

(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.

(e) In 2Q13 \$250.0 million of subordinated notes and \$100.0 million of subordinated capital notes matured.

FHN CONSOLIDATED NET INTEREST INCOME (a)

Quarterly, Unaudited

| (Thousands) | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 2Q13 Changes vs. | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|---------------|
| | | | | | | 1Q13 | 2Q12 |
| Interest Income: | | | | | | | |
| Loans, net of unearned income (b) | \$153,070 | \$154,955 | \$163,693 | \$165,368 | \$162,698 | (1) % | (6) % |
| Loans held-for-sale | 3,169 | 3,502 | 3,732 | 3,808 | 3,628 | (10) % | (13) % |
| Investment securities: | | | | | | | |
| U.S. treasuries | 11 | 8 | 11 | 11 | 39 | 38 % | (72) % |
| U.S. government agencies | 18,321 | 18,507 | 19,536 | 21,759 | 23,562 | (1) % | (22) % |
| States and municipalities | 25 | 23 | 6 | 65 | 63 | 9 % | (60) % |
| Other | 2,315 | 2,332 | 2,495 | 2,323 | 2,324 | (1) % | * |
| Total investment securities | 20,672 | 20,870 | 22,048 | 24,158 | 25,988 | (1) % | (20) % |
| Capital markets securities inventory | 8,467 | 7,901 | 7,565 | 7,998 | 9,204 | 7 % | (8) % |
| Mortgage banking trading securities | 452 | 489 | 534 | 569 | 578 | (8) % | (22) % |
| Other earning assets: | | | | | | | |
| Federal funds sold | 66 | 61 | 64 | 71 | 64 | 8 % | 3 % |
| Securities purchased under agreements to resell (c) | (189) | 44 | 118 | 94 | 51 | NM | NM |
| Interest-bearing cash | 197 | 364 | 287 | 202 | 280 | (46) % | (30) % |
| Total other earning assets | 74 | 469 | 469 | 367 | 395 | (84) % | (81) % |
| Interest income | \$185,904 | \$188,186 | \$198,041 | \$202,268 | \$202,491 | (1) % | (8) % |
| Interest Expense: | | | | | | | |
| Interest-bearing deposits: | | | | | | | |
| Savings | \$3,689 | \$4,397 | \$4,617 | \$4,764 | \$4,744 | (16) % | (22) % |
| Other interest-bearing deposits | 1,013 | 1,145 | 1,268 | 1,455 | 1,655 | (12) % | (39) % |
| Time deposits | 4,064 | 4,217 | 4,639 | 5,169 | 5,541 | (4) % | (27) % |
| Total interest-bearing core deposits | 8,766 | 9,759 | 10,524 | 11,388 | 11,940 | (10) % | (27) % |
| Certificates of deposit \$100,000 and more | 1,550 | 1,561 | 1,725 | 1,975 | 2,305 | (1) % | (33) % |
| Federal funds purchased | 777 | 932 | 985 | 929 | 963 | (17) % | (19) % |
| Securities sold under agreements to repurchase | 134 | 268 | 211 | 167 | 151 | (50) % | (11) % |
| Capital markets trading liabilities | 3,354 | 3,196 | 2,536 | 2,556 | 2,843 | 5 % | 18 % |
| Other short-term borrowings | 245 | 106 | 132 | 347 | 36 | NM | NM |
| Term borrowings | 9,146 | 9,195 | 9,488 | 9,689 | 9,822 | (1) % | (7) % |
| Interest expense | 23,972 | 25,017 | 25,601 | 27,051 | 28,060 | (4) % | (15) % |
| Net interest income - tax equivalent basis | 161,932 | 163,169 | 172,440 | 175,217 | 174,431 | (1) % | (7) % |
| Fully taxable equivalent adjustment | (1,913) | (1,787) | (1,842) | (1,752) | (1,756) | (7) % | (9) % |
| Net interest income | \$160,019 | \$161,382 | \$170,598 | \$173,465 | \$172,675 | (1) % | (7) % |

NM - Not meaningful

* Amount is less than one percent.

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

(a) Net interest income adjusted to a FTE basis.

(b) Includes loans on nonaccrual status.

(c) 2Q13 driven by negative market rates on reverse repurchase agreements.

FHN CONSOLIDATED AVERAGE BALANCE SHEET: YIELDS AND RATES

Quarterly, Unaudited

| | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 |
|---|--------|-------|-------|-------|-------|
| Assets: | | | | | |
| Earning assets (a): | | | | | |
| Loans, net of unearned income: | | | | | |
| Commercial loans | 3.68% | 3.70% | 3.83% | 3.81% | 3.92% |
| Retail loans | 4.12 | 4.16 | 4.18 | 4.30 | 4.33 |
| Total loans, net of unearned income (b) | 3.86 | 3.89 | 3.98 | 4.01 | 4.09 |
| Loans held-for-sale | | | | | |
| | 3.26 | 3.57 | 3.70 | 3.68 | 3.41 |
| Investment securities: | | | | | |
| U.S. treasuries | 0.11 | 0.07 | 0.10 | 0.11 | 0.37 |
| U.S. government agencies | 2.51 | 2.63 | 2.82 | 3.01 | 3.16 |
| States and municipalities | 0.65 | 0.59 | 0.13 | 1.44 | 1.39 |
| Other | 4.23 | 4.30 | 4.49 | 4.22 | 4.15 |
| Total investment securities | 2.58 | 2.70 | 2.88 | 3.04 | 3.18 |
| Capital markets securities inventory | | | | | |
| | 2.59 | 2.41 | 2.42 | 2.69 | 2.77 |
| Mortgage banking trading securities | | | | | |
| | 11.02 | 11.19 | 11.34 | 11.31 | 10.12 |
| Other earning assets: | | | | | |
| Federal funds sold | 0.99 | 1.02 | 1.02 | 1.00 | 1.02 |
| Securities purchased under agreements to resell (c) | (0.11) | 0.02 | 0.08 | 0.07 | 0.03 |
| Interest-bearing cash | 0.20 | 0.23 | 0.22 | 0.20 | 0.22 |
| Total other earning assets | 0.03 | 0.13 | 0.16 | 0.15 | 0.14 |
| Interest income/total earning assets | | | | | |
| | 3.40% | 3.40% | 3.55% | 3.64% | 3.67% |
| Liabilities: | | | | | |
| Interest-bearing liabilities: | | | | | |
| Interest-bearing deposits: | | | | | |
| Savings | 0.23% | 0.27% | 0.28% | 0.31% | 0.30% |
| Other interest-bearing deposits | 0.11 | 0.13 | 0.15 | 0.17 | 0.19 |
| Time deposits | 1.63 | 1.70 | 1.78 | 1.89 | 1.98 |
| Total interest-bearing core deposits | 0.32 | 0.35 | 0.38 | 0.43 | 0.44 |
| Certificates of deposit \$100,000 and more | | | | | |
| | 1.15 | 1.23 | 1.33 | 1.38 | 1.37 |
| Federal funds purchased | | | | | |
| | 0.25 | 0.26 | 0.25 | 0.26 | 0.25 |
| Securities sold under agreements to repurchase | | | | | |
| | 0.11 | 0.19 | 0.18 | 0.17 | 0.17 |
| Capital markets trading liabilities | | | | | |
| | 1.87 | 1.66 | 1.69 | 1.87 | 1.90 |
| Other short-term borrowings | | | | | |
| | 0.19 | 0.21 | 0.19 | 0.14 | 0.04 |
| Term borrowings (d) | | | | | |
| | 1.82 | 1.66 | 1.69 | 1.70 | 1.70 |
| Interest expense/total interest-bearing liabilities | | | | | |
| | 0.58 | 0.59 | 0.61 | 0.64 | 0.67 |
| Net interest spread | | | | | |
| | 2.82% | 2.81% | 2.94% | 3.00% | 3.00% |
| Effect of interest-free sources used to fund earning assets | | | | | |
| | 0.14 | 0.14 | 0.15 | 0.15 | 0.16 |
| Net interest margin | | | | | |
| | 2.96% | 2.95% | 3.09% | 3.15% | 3.16% |

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

Yields are adjusted to a FTE basis. Refer to the Non-GAAP to GAAP Reconciliation on page 27 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) 2Q13 driven by negative market rates on reverse repurchase agreements.
- (d) Rates are expressed net of unamortized debenture cost for term borrowings.

FHN CHARGES FOR RESTRUCTURING, REPOSITIONING, & EFFICIENCY INITIATIVES

Quarterly, Unaudited

| (Thousands) | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 |
|---|----------------|----------------|-------------------|------------------|------------------|
| By Income Statement Impact | | | | | |
| Noninterest income | | | | | |
| Mortgage banking (a) | \$- | \$- | \$(348) | \$- | \$(2,287) |
| Noninterest expense | | | | | |
| Employee compensation, incentives, and benefits (b) | 641 | 819 | 18,128 | 2,730 | 2,191 |
| Occupancy | (60) | 438 | 180 | 41 | (219) |
| All other expense | - | - | 17 | - | 12 |
| Total loss before income taxes | (581) | (1,257) | (18,673) | (2,771) | (4,271) |
| Income from discontinued operations (c) | - | 735 | - | 180 | 485 |
| Net impact resulting from restructuring, repositioning, and efficiency initiatives | \$(581) | \$(522) | \$(18,673) | \$(2,591) | \$(3,786) |

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

(b) Includes severance associated with the Voluntary Separation Program ("VSP") during 1Q13 and 4Q12.

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

FHN MORTGAGE SERVICING RIGHTS

Quarterly, Unaudited

| (Thousands) | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 2Q13 Changes vs. | |
|--|-----------|-----------|-----------|-----------|-----------|------------------|--------|
| | | | | | | 1Q13 | 2Q12 |
| First Liens | | | | | | | |
| Fair value beginning balance | \$106,191 | \$111,314 | \$117,440 | \$126,085 | \$139,676 | | |
| Reductions due to loan payments | (5,617) | (5,374) | (5,592) | (6,050) | (6,665) | | |
| Reductions due to exercise of cleanup calls | - | (495) | - | (494) | - | | |
| Changes in fair value due to: | | | | | | | |
| Changes in valuation model inputs or assumptions (a) | 10,496 | 834 | (569) | (2,107) | (6,855) | | |
| Other changes in fair value | 6 | (88) | 35 | 6 | (71) | | |
| Fair value ending balance | \$111,076 | \$106,191 | \$111,314 | \$117,440 | \$126,085 | 5 % | (12) % |
| Second Liens | | | | | | | |
| Fair value beginning balance | \$193 | \$196 | \$205 | \$215 | \$222 | | |
| Reductions due to loan payments | (21) | (48) | (9) | (10) | (7) | | |
| Changes in fair value due to: | | | | | | | |
| Other changes in fair value | - | 45 | - | - | - | | |
| Fair value ending balance | \$172 | \$193 | \$196 | \$205 | \$215 | (11) % | (20) % |
| HELOC | | | | | | | |
| Fair value beginning balance | \$2,718 | \$2,801 | \$2,892 | \$2,991 | \$3,058 | | |
| Reductions due to loan payments | (113) | (125) | (91) | (102) | (79) | | |
| Changes in fair value due to: | | | | | | | |
| Other changes in fair value | - | 42 | - | 3 | 12 | | |
| Fair value ending balance | \$2,605 | \$2,718 | \$2,801 | \$2,892 | \$2,991 | (4) % | (13) % |
| Total Consolidated | | | | | | | |
| Fair value beginning balance | \$109,102 | \$114,311 | \$120,537 | \$129,291 | \$142,956 | | |
| Reductions due to loan payments | (5,751) | (5,547) | (5,692) | (6,162) | (6,751) | | |
| Reductions due to exercise of cleanup calls | - | (495) | - | (494) | - | | |
| Changes in fair value due to: | | | | | | | |
| Changes in valuation model inputs or assumptions (a) | 10,496 | 834 | (569) | (2,107) | (6,855) | | |
| Other changes in fair value | 6 | (1) | 35 | 9 | (59) | | |
| Fair value ending balance | \$113,853 | \$109,102 | \$114,311 | \$120,537 | \$129,291 | 4 % | (12) % |

(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) | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 2Q13 Changes vs. | |
|--|-----------|-----------|------------|------------|-------------|------------------|-------|
| | | | | | | 1Q13 | 2Q12 |
| Regional Banking | | | | | | | |
| Net interest income | \$147,324 | \$146,068 | \$153,889 | \$151,136 | \$148,599 | 1% | (1)% |
| Noninterest income | 61,900 | 59,144 | 64,074 | 64,235 | 65,037 | 5% | (5)% |
| Total revenues | 209,224 | 205,212 | 217,963 | 215,371 | 213,636 | 2% | (2)% |
| Provision/(provision credit) for loan losses | 13,201 | (2,485) | (1,227) | 2,927 | 4,828 | NM | NM |
| Noninterest expense | 128,948 | 130,337 | 144,031 | 141,576 | 143,322 | (1)% | (10)% |
| Income before income taxes | 67,075 | 77,360 | 75,159 | 70,868 | 65,486 | (13)% | 2% |
| Provision for income taxes | 24,051 | 28,100 | 27,290 | 25,727 | 23,630 | (14)% | 2% |
| Net income | \$43,024 | \$49,260 | \$47,869 | \$45,141 | \$41,856 | (13)% | 3% |
| Capital Markets | | | | | | | |
| Net interest income | \$4,031 | \$3,900 | \$4,248 | \$4,753 | \$5,608 | 3% | (28)% |
| Noninterest income | 68,199 | 76,612 | 72,432 | 80,817 | 74,968 | (11)% | (9)% |
| Total revenues | 72,230 | 80,512 | 76,680 | 85,570 | 80,576 | (10)% | (10)% |
| Noninterest expense | 59,926 | 61,669 | 57,541 | 64,602 | 60,936 | (3)% | (2)% |
| Income before income taxes | 12,304 | 18,843 | 19,139 | 20,968 | 19,640 | (35)% | (37)% |
| Provision for income taxes | 4,586 | 7,143 | 7,182 | 7,899 | 7,403 | (36)% | (38)% |
| Net income | \$7,718 | \$11,700 | \$11,957 | \$13,069 | \$12,237 | (34)% | (37)% |
| Corporate | | | | | | | |
| Net interest income/(expense) | \$(9,963) | \$(8,621) | \$(8,998) | \$(6,096) | \$(5,538) | (16)% | (80)% |
| Noninterest income | 3,811 | 7,855 | 6,015 | 7,904 | 3,825 | (51)% | * |
| Total revenues | (6,152) | (766) | (2,983) | 1,808 | (1,713) | NM | NM |
| Noninterest expense (a) | 17,070 | 17,585 | 36,109 | 21,538 | 19,143 | (3)% | (11)% |
| Income/(loss) before income taxes | (23,222) | (18,351) | (39,092) | (19,730) | (20,856) | (27)% | (11)% |
| Benefit for income taxes | (15,201) | (11,518) | (37,944) | (13,632) | (13,388) | (32)% | (14)% |
| Net loss | \$(8,021) | \$(6,833) | \$(1,148) | \$(6,098) | \$(7,468) | (17)% | (7)% |
| Non-Strategic | | | | | | | |
| Net interest income | \$18,627 | \$20,035 | \$21,459 | \$23,672 | \$24,006 | (7)% | (22)% |
| Noninterest income | 8,722 | 12,816 | 3,922 | 10,582 | 15,077 | (32)% | (42)% |
| Total revenues | 27,349 | 32,851 | 25,381 | 34,254 | 39,083 | (17)% | (30)% |
| Provision for loan losses | 1,799 | 17,485 | 16,227 | 37,073 | 10,172 | (90)% | (82)% |
| Noninterest expense (b) | 21,464 | 30,949 | 33,680 | 35,453 | 303,776 | (31)% | (93)% |
| Income/(loss) before income taxes | 4,086 | (15,583) | (24,526) | (38,272) | (274,865) | NM | NM |
| Provision/(benefit) for income taxes | 1,572 | (5,995) | (9,442) | (14,734) | (105,823) | NM | NM |
| Income/(loss) from continuing operations | 2,514 | (9,588) | (15,084) | (23,538) | (169,042) | NM | NM |
| Income/(loss) from discontinued operations, net of tax | 1 | 430 | (12) | 108 | 487 | NM | NM |
| Net income/(loss) | \$2,515 | \$(9,158) | \$(15,096) | \$(23,430) | \$(168,555) | NM | NM |
| Total Consolidated | | | | | | | |
| Net interest income | \$160,019 | \$161,382 | \$170,598 | \$173,465 | \$172,675 | (1)% | (7)% |
| Noninterest income | 142,632 | 156,427 | 146,443 | 163,538 | 158,907 | (9)% | (10)% |
| Total revenues | 302,651 | 317,809 | 317,041 | 337,003 | 331,582 | (5)% | (9)% |
| Provision for loan losses | 15,000 | 15,000 | 15,000 | 40,000 | 15,000 | * | * |
| Noninterest expense | 227,408 | 240,540 | 271,361 | 263,169 | 527,177 | (5)% | (57)% |
| Income/(loss) before income taxes | 60,243 | 62,269 | 30,680 | 33,834 | (210,595) | (3)% | NM |
| Provision/(benefit) for income taxes | 15,008 | 17,730 | (12,914) | 5,260 | (88,178) | (15)% | NM |
| Income/(loss) from continuing operations | 45,235 | 44,539 | 43,594 | 28,574 | (122,417) | 2% | NM |
| Income/(loss) from discontinued operations, net of tax | 1 | 430 | (12) | 108 | 487 | NM | NM |
| Net income/(loss) | \$45,236 | \$44,969 | \$43,582 | \$28,682 | \$(121,930) | 1% | NM |

NM - Not meaningful

* Amount is less than one percent.

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

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

(b) 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

| | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 2Q13 Changes vs. | |
|---|-----------|-----------|-----------|-----------|-----------|------------------|-------|
| | | | | | | 1Q13 | 2Q12 |
| Income Statement (thousands) | | | | | | | |
| Net interest income | \$147,324 | \$146,068 | \$153,889 | \$151,136 | \$148,599 | 1% | (1)% |
| Provision/(provision credit) for loan losses | 13,201 | (2,485) | (1,227) | 2,927 | 4,828 | NM | NM |
| Noninterest income: | | | | | | | |
| NSF / Overdraft fees (a) | 10,250 | 10,031 | 13,586 | 13,038 | 12,265 | 2% | (16)% |
| Cash management fees | 9,133 | 9,330 | 9,092 | 8,915 | 9,179 | (2)% | (1)% |
| Debit card income | 2,737 | 2,534 | 2,437 | 2,670 | 2,780 | 8% | (2)% |
| Other | 5,183 | 4,909 | 4,912 | 4,770 | 4,925 | 6% | 5% |
| Total deposit transactions and cash management | 27,303 | 26,804 | 30,027 | 29,393 | 29,149 | 2% | (6)% |
| Brokerage, management fees and commissions | 10,540 | 9,348 | 8,979 | 8,700 | 8,758 | 13% | 20% |
| Trust services and investment management | 6,966 | 6,343 | 5,995 | 6,071 | 6,493 | 10% | 7% |
| Bankcard income | 5,051 | 4,691 | 5,556 | 5,029 | 5,504 | 8% | (8)% |
| Other service charges | 3,255 | 2,873 | 2,951 | 3,060 | 3,021 | 13% | 8% |
| Miscellaneous revenue | 8,785 | 9,085 | 10,566 | 11,982 | 12,112 | (3)% | (27)% |
| Total noninterest income | 61,900 | 59,144 | 64,074 | 64,235 | 65,037 | 5% | (5)% |
| Noninterest expense: | | | | | | | |
| Employee compensation, incentives, and benefits | 50,679 | 50,590 | 51,014 | 50,526 | 50,957 | * | (1)% |
| Other (b) | 78,269 | 79,747 | 93,017 | 91,050 | 92,365 | (2)% | (15)% |
| Total noninterest expense | 128,948 | 130,337 | 144,031 | 141,576 | 143,322 | (1)% | (10)% |
| Income before income taxes | \$67,075 | \$77,360 | \$75,159 | \$70,868 | \$65,486 | (13)% | 2% |
| Efficiency ratio (c) | 61.63% | 63.51% | 66.08% | 65.74% | 67.09% | | |
| Balance Sheet (millions) | | | | | | | |
| Average loans | \$12,225 | \$12,237 | \$12,397 | \$12,221 | \$11,650 | * | 5% |
| Average other earning assets | 53 | 53 | 58 | 69 | 63 | * | (16)% |
| Total average earning assets | 12,278 | 12,290 | 12,455 | 12,290 | 11,713 | * | 5% |
| Average core deposits | 14,624 | 14,560 | 14,445 | 14,295 | 14,396 | * | 2% |
| Average other deposits | 542 | 517 | 515 | 570 | 676 | 5% | (20)% |
| Total average deposits | 15,166 | 15,077 | 14,960 | 14,865 | 15,072 | 1% | 1% |
| Total period-end deposits | 15,562 | 15,225 | 15,142 | 14,783 | 15,183 | 2% | 2% |
| Total period-end assets | 13,497 | 12,844 | 13,754 | 13,246 | 12,758 | 5% | 6% |
| Net interest margin (d) | 4.87% | 4.87% | 4.97% | 4.95% | 5.15% | | |
| Net interest spread | 3.46 | 3.46 | 3.53 | 3.54 | 3.55 | | |
| Loan yield | 3.72 | 3.75 | 3.83 | 3.88 | 3.91 | | |
| Deposit average yield | 0.26 | 0.29 | 0.30 | 0.34 | 0.36 | | |
| Key Statistics | | | | | | | |
| Financial center locations (e) | 183 | 171 | 171 | 173 | 173 | 7% | 6% |

NM - Not meaningful

* Amount is less than one percent.

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

(a) 1Q13 decline primarily attributable to seasonality in NSF fees.

(b) 1Q13 decrease largely attributable to a decline in allocated Pension expense resulting from the freeze of the pension plans on December 31, 2012.

(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 27 of this supplement.

(e) 2Q13 increase of 12 branches is related to the MNB acquisition.

FHN CAPITAL MARKETS

Quarterly, Unaudited

| | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 2Q13 Changes vs. | |
|-------------------------------------|----------|----------|----------|----------|----------|------------------|-------|
| | | | | | | 1Q13 | 2Q12 |
| Income Statement (thousands) | | | | | | | |
| Net interest income | \$4,031 | \$3,900 | \$4,248 | \$4,753 | \$5,608 | 3% | (28)% |
| Noninterest income: | | | | | | | |
| Fixed income | 58,535 | 67,953 | 65,560 | 74,488 | 68,399 | (14)% | (14)% |
| Other | 9,664 | 8,659 | 6,872 | 6,329 | 6,569 | 12% | 47% |
| Total noninterest income | 68,199 | 76,612 | 72,432 | 80,817 | 74,968 | (11)% | (9)% |
| Noninterest expense | 59,926 | 61,669 | 57,541 | 64,602 | 60,936 | (3)% | (2)% |
| Income before income taxes | \$12,304 | \$18,843 | \$19,139 | \$20,968 | \$19,640 | (35)% | (37)% |
| Efficiency ratio (a) | 82.97% | 76.60% | 75.04% | 75.50% | 75.63% | | |
| Fixed income average daily revenue | \$915 | \$1,133 | \$1,093 | \$1,182 | \$1,086 | (19)% | (16)% |
| Balance Sheet (millions) | | | | | | | |
| Average trading inventory | \$1,310 | \$1,309 | \$1,250 | \$1,190 | \$1,328 | * | (1)% |
| Average other earning assets | 714 | 770 | 618 | 576 | 669 | (7)% | 7% |
| Total average earning assets | 2,024 | 2,079 | 1,868 | 1,766 | 1,997 | (3)% | 1% |
| Total period-end assets | 2,577 | 2,956 | 2,466 | 2,848 | 2,554 | (13)% | 1% |
| Net interest margin (b) | 0.82% | 0.76% | 0.95% | 1.12% | 1.15% | | |

* Amount is less than one percent.

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 27 of this supplement.

FHN CORPORATE

Quarterly, Unaudited

| | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 2Q13 Changes vs. | |
|---|-------------------|------------|------------|------------|------------|------------------|-------|
| | | | | | | 1Q13 | 2Q12 |
| Income Statement (thousands) | | | | | | | |
| Net interest income/(expense) | \$(9,963) | \$(8,621) | \$(8,998) | \$(6,096) | \$(5,538) | (16)% | (80)% |
| Noninterest income | 4,174 | 7,825 | 6,015 | 7,904 | 3,825 | (47)% | 9% |
| Securities gains/(losses), net | (363) | 30 | - | - | - | NM | NM |
| Noninterest expense (a) | 17,070 | 17,585 | 36,109 | 21,538 | 19,143 | (3)% | (11)% |
| Loss before income taxes | \$(23,222) | \$(18,351) | \$(39,092) | \$(19,730) | \$(20,856) | (27)% | (11)% |
| Average Balance Sheet (millions) | | | | | | | |
| Average loans | \$217 | \$226 | \$189 | \$183 | \$124 | (4)% | 75% |
| Total earning assets | \$3,802 | \$3,959 | \$3,751 | \$3,735 | \$3,884 | (4)% | (2)% |
| Net interest margin (b) | (1.06)% | (.92)% | (.94)% | (.63)% | (.59)% | | |

NM - Not meaningful

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

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

(b) Net interest margin is computed using total net interest income adjusted for FTE. Refer to the Non-GAAP to GAAP Reconciliation on page 27 of this supplement.

FHN NON-STRATEGIC
Quarterly, Unaudited

| | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 2Q13 Changes vs. | |
|--|----------|------------|------------|------------|-------------|------------------|-------|
| | | | | | | 1Q13 | 2Q12 |
| Income Statement (thousands) | | | | | | | |
| Net interest income | \$18,627 | \$20,035 | \$21,459 | \$23,672 | \$24,006 | (7)% | (22)% |
| Noninterest income: | | | | | | | |
| Mortgage warehouse valuation | (2,454) | 259 | (1,850) | (3,470) | 626 | NM | NM |
| Service fees | 12,266 | 12,145 | 12,967 | 13,778 | 14,984 | 1% | (18)% |
| Change in MSR value - runoff | (5,616) | (5,375) | (5,592) | (6,049) | (6,665) | (4)% | 16% |
| Net hedging results | 1,358 | 1,982 | 2,097 | 4,486 | 1,833 | (31)% | (26)% |
| Miscellaneous revenue (a) | 3,164 | 3,811 | 1,000 | 1,837 | (766) | (17)% | NM |
| Total noninterest income | 8,718 | 12,822 | 8,622 | 10,582 | 10,012 | (32)% | (13)% |
| Securities gains/(losses), net (b) | 4 | (6) | (4,700) | - | 5,065 | NM | NM |
| Noninterest expense: | | | | | | | |
| Repurchase and foreclosure provision (c) | - | - | - | - | 250,000 | * | NM |
| Other expenses (d) | 21,464 | 30,949 | 33,680 | 35,453 | 53,776 | (31)% | (60)% |
| Total noninterest expense | 21,464 | 30,949 | 33,680 | 35,453 | 303,776 | (31)% | (93)% |
| Provision for loan losses (e) | 1,799 | 17,485 | 16,227 | 37,073 | 10,172 | (90)% | (82)% |
| Income/(loss) before income taxes | \$4,086 | \$(15,583) | \$(24,526) | \$(38,272) | \$(274,865) | NM | NM |

Average Balance Sheet (millions)

| | | | | | | | |
|---------------------------|---------|---------|---------|---------|---------|-------|-------|
| Loans | \$3,451 | \$3,634 | \$3,817 | \$4,008 | \$4,186 | (5)% | (18)% |
| Loans held-for-sale | 360 | 354 | 344 | 333 | 330 | 2% | 9% |
| Trading securities | 16 | 17 | 19 | 20 | 23 | (6)% | (30)% |
| Mortgage servicing rights | 108 | 113 | 118 | 126 | 137 | (4)% | (21)% |
| Other assets | 232 | 257 | 266 | 286 | 304 | (10)% | (24)% |
| Total assets | 4,167 | 4,375 | 4,564 | 4,773 | 4,980 | (5)% | (16)% |
| Net interest margin (f) | 1.94% | 2.00% | 2.04% | 2.16% | 2.11% | | |
| Efficiency ratio (g) | 78.49% | 94.19% | 111.96% | 103.50% | NM | | |

Mortgage Warehouse - Period-end (millions)

| | | | | | | | |
|--|-------|-------|-------|-------|-------|------|----|
| Ending warehouse balance (loans held-for-sale) | \$358 | \$362 | \$353 | \$339 | \$336 | (1)% | 7% |
|--|-------|-------|-------|-------|-------|------|----|

Key Servicing Metrics (h)

| | | | | | | | |
|--|----------|----------|----------|----------|----------|------|-------|
| Ending servicing portfolio (millions) (i) | \$16,025 | \$17,055 | \$18,071 | \$19,149 | \$20,331 | (6)% | (21)% |
| Average servicing portfolio (millions) (i) | 16,537 | 17,560 | 18,607 | 19,728 | 20,978 | (6)% | (21)% |
| Average number of loans serviced (i) | 98,972 | 104,874 | 110,175 | 115,987 | 121,818 | (6)% | (19)% |

Portfolio Product Mix (average)

| | | | | | | | |
|--|------|------|------|------|------|--|--|
| GNMA (Ginnie) | 2% | 2% | 2% | 2% | 3% | | |
| FNMA/FHLMC (Fannie/Freddie) | 30 | 31 | 32 | 33 | 35 | | |
| Private | 60 | 60 | 59 | 59 | 57 | | |
| Sub-total | 92 | 93 | 93 | 94 | 95 | | |
| FHN permanent mortgage portfolio and warehouse | 8 | 7 | 7 | 6 | 5 | | |
| Total | 100% | 100% | 100% | 100% | 100% | | |

Other Portfolio Statistics

| | | | | | | | |
|--|----------|----------|----------|----------|----------|--|--|
| Servicing cost per loan (annualized) (j) | \$282.18 | \$294.41 | \$279.08 | \$288.21 | \$280.71 | | |
| Servicing book value (bps) (k) (l) | 75 | 69 | 68 | 68 | 68 | | |
| 90+ delinquency rate, excluding foreclosures (m) | 11.20 % | 11.20 % | 10.89 % | 10.61 % | 10.94 % | | |

NM - Not meaningful

* Amount is less than one percent.

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

(a) 2Q13 and 1Q13 include a gain of \$1.0 million and \$2.4 million, respectively, from a LOCOM reversal associated with a TRUP loan payoff; 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) 2Q12 includes a \$22.0 million loss accrual related to pending legal matters.

(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 27 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) Calculated based on fees charged by subservicer divided by average number of loans serviced during the quarter.

(k) Includes MSR and mortgage trading securities divided by total servicing portfolio.

(l) For purposes of this calculation, MSR excludes servicing transferred that did not qualify for sales treatment due to certain recourse provisions.

(m) Excludes delinquent second liens and HELOCs.

FHN CAPITAL HIGHLIGHTS

Quarterly, Unaudited

| (Dollars in thousands, except per share amounts) | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 2Q13 Changes vs. | |
|---|---------------------|--------------|--------------|--------------|--------------|------------------|-------|
| | | | | | | 1Q13 | 2Q12 |
| Tier 1 capital (a) (b) | \$2,712,398 | \$2,738,558 | \$2,640,776 | \$2,641,392 | \$2,626,688 | (1)% | 3% |
| Tier 2 capital (a) | \$465,360 | \$511,340 | \$571,232 | \$570,429 | \$570,159 | (9)% | (18)% |
| Total capital (a) (b) | \$3,177,758 | \$3,249,898 | \$3,212,008 | \$3,211,821 | \$3,196,847 | (2)% | (1)% |
| Risk weighted assets ("RWA") (a) | \$20,550,720 | \$20,231,850 | \$20,153,430 | \$20,082,979 | \$20,022,430 | 2% | 3% |
| Tier 1 ratio (a) | 13.20% | 13.54% | 13.10% | 13.15% | 13.12% | | |
| Tier 2 ratio (a) | 2.26% | 2.52% | 2.84% | 2.84% | 2.85% | | |
| Total capital ratio (a) | 15.46% | 16.06% | 15.94% | 15.99% | 15.97% | | |
| Tier 1 common ratio to risk weighted assets (a) (c) | 10.33% | 10.62% | 10.65% | 10.69% | 10.65% | | |
| Leverage ratio (a) | 11.07 | 10.97 | 10.63 | 10.58 | 10.56 | | |
| Total equity to total assets | 10.13 | 10.33 | 9.83 | 9.84 | 9.86 | | |
| Adjusted tangible common equity to risk weighted assets ("TCE/RWA") (a) (c) (d) | 9.61 | 9.91 | 9.93 | 10.03 | 9.97 | | |
| Tangible common equity/tangible assets ("TCE/TA") (c) (e) | 7.95 | 8.21 | 8.11 | 8.13 | 8.13 | | |

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 27 of this financial supplement.

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

(e) Calculated using period-end balances.

FHN ASSET QUALITY: CONSOLIDATED

Quarterly, Unaudited

| (Thousands) | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 2Q13 Changes vs. | |
|---|-----------|-----------|-----------|-----------|-----------|------------------|-------|
| | | | | | | 1Q13 | 2Q12 |
| Allowance for Loan Losses Walk-Forward | | | | | | | |
| Beginning reserve | \$265,218 | \$276,963 | \$281,744 | \$321,051 | \$346,016 | (4)% | (23)% |
| Provision (a) | 15,000 | 15,000 | 15,000 | 40,000 | 15,000 | * | * |
| Charge-offs (b) (c) | (30,272) | (36,100) | (31,177) | (87,022) | (49,728) | (16)% | (39)% |
| Recoveries | 11,988 | 9,355 | 11,396 | 7,715 | 9,763 | 28% | 23% |
| Ending balance (Restricted - \$3.8 million) (d) | \$261,934 | \$265,218 | \$276,963 | \$281,744 | \$321,051 | (1)% | (18)% |
| Reserve for unfunded commitments | 2,976 | 3,439 | 4,145 | 4,572 | 4,434 | (13)% | (33)% |
| Total allowance for loan losses plus reserve for unfunded commitments | \$264,910 | \$268,657 | \$281,108 | \$286,316 | \$325,485 | (1)% | (19)% |
| Allowance for Loan Losses | | | | | | | |
| Regional Banking | \$124,627 | \$120,161 | \$128,210 | \$142,060 | \$156,060 | 4% | (20)% |
| Non-Strategic | 137,307 | 145,057 | 148,753 | 139,684 | 164,991 | (5)% | (17)% |
| Corporate (e) | NM | NM | NM | NM | NM | NM | NM |
| Total allowance for loan losses | \$261,934 | \$265,218 | \$276,963 | \$281,744 | \$321,051 | (1)% | (18)% |
| Nonperforming Assets | | | | | | | |
| Regional Banking | | | | | | | |
| Nonperforming loans (f) | \$135,902 | \$124,824 | \$131,834 | \$152,477 | \$178,650 | 9% | (24)% |
| Foreclosed real estate (g) (h) | \$35,028 | 13,142 | 13,726 | 16,000 | 17,334 | NM | NM |
| Total Regional Banking | \$170,930 | \$137,966 | \$145,560 | \$168,477 | \$195,984 | 24% | (13)% |
| Non-Strategic | | | | | | | |
| Nonperforming loans (f) | 173,705 | \$129,240 | \$133,286 | \$150,635 | \$149,564 | 34% | 16% |
| Nonperforming loans held-for-sale before fair value adjustments (i) | 140,790 | 129,730 | 110,567 | 94,265 | 89,535 | 9% | 57% |
| Foreclosed real estate (g) | 16,781 | 19,513 | 28,041 | 34,589 | 31,583 | (14)% | (47)% |
| Total Non-Strategic | \$331,276 | \$278,483 | \$271,894 | \$279,489 | \$270,682 | 19% | 22% |
| Corporate | | | | | | | |
| Nonperforming loans | \$4,526 | \$1,936 | \$1,915 | \$2,426 | \$207 | NM | NM |
| Total nonperforming assets | \$506,732 | \$418,385 | \$419,369 | \$450,392 | \$466,873 | 21% | 9% |
| Net Charge-Offs | | | | | | | |
| Regional Banking | \$8,735 | \$5,564 | \$12,623 | \$16,927 | \$14,883 | 57% | (41)% |
| Non-Strategic | 9,549 | 21,181 | 7,158 | 62,380 | 25,082 | (55)% | (62)% |
| Total net charge-offs (b) (c) | \$18,284 | \$26,745 | \$19,781 | \$79,307 | \$39,965 | (32)% | (54)% |
| Consolidated Key Ratios (j) | | | | | | | |
| NPL % (f) | 1.94% | 1.61% | 1.60% | 1.85% | 2.03% | | |
| NPA % (f) (h) | 2.25 | 1.81 | 1.84 | 2.15 | 2.32 | | |
| Net charge-offs % (b) (c) | 0.46 | 0.67 | 0.48 | 1.92 | 1.01 | | |
| Allowance / loans | 1.62 | 1.67 | 1.66 | 1.71 | 1.98 | | |
| Allowance / NPL | 0.83x | 1.04x | 1.04x | 0.92x | 0.98x | | |
| Allowance / NPA | 0.72x | 0.92x | 0.90x | 0.79x | 0.85x | | |
| Allowance / charge-offs (b) (c) | 3.57x | 2.45x | 3.52x | 0.89x | 2.00x | | |
| Other | | | | | | | |
| Loans past due 90 days or more (k) | \$73,027 | \$87,177 | \$86,017 | \$82,953 | \$89,214 | (16)% | (18)% |
| Guaranteed portion (k) | 38,123 | 40,117 | 36,633 | 35,397 | 38,758 | (5)% | (2)% |
| Foreclosed real estate from government insured loans | 18,560 | 22,017 | 18,923 | 20,190 | 20,687 | (16)% | (10)% |
| Period-end loans, net of unearned income (millions) | 16,197 | 15,890 | 16,709 | 16,524 | 16,186 | 2% | * |
| Remaining unfunded commitments (millions) | 8,425 | 8,487 | 7,993 | 7,891 | 7,869 | (1)% | 7% |

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 June 30, 2013. See Glossary of Terms for definition of restricted balances.

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

(f) 2Q13 NPLs increased by \$58.1 million largely due to the impact of placing second liens on nonaccrual based on 3rd party data obtained on the performance status of non-FHN serviced first liens.

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

(h) 2Q13 includes approximately \$23 million of MNB foreclosed real estate.

(i) The average negative fair value mark was approximately 52% of unpaid principal balance as of 2Q13.

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

(k) Includes loans held for sale.

FHN ASSET QUALITY: CONSOLIDATED

Quarterly, Unaudited

| | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 2Q13 Changes vs. | |
|---|----------------|---------|---------|---------|---------|------------------|-------|
| | | | | | | 1Q13 | 2Q12 |
| Key Portfolio Details | | | | | | | |
| C&I | | | | | | | |
| Period-end loans (\$ millions) | \$8,367 | \$8,091 | \$8,797 | \$8,466 | \$7,982 | 3% | 5% |
| 30+ Delinq. % (a) | 0.13% | 0.17% | 0.22% | 0.30% | 0.29% | | |
| NPL % | 1.45 | 1.40 | 1.39 | 1.78 | 1.97 | | |
| Charge-offs % (qtr. annualized) | 0.14 | 0.10 | 0.24 | 0.25 | 0.42 | | |
| Allowance / loans % | 1.12% | 1.06% | 1.09% | 1.26% | 1.39% | | |
| Allowance / charge-offs | 8.34x | 10.94x | 4.84x | 5.17x | 3.44x | | |
| Income CRE | | | | | | | |
| Period-end loans (\$ millions) (b) | \$1,172 | \$1,063 | \$1,110 | \$1,162 | \$1,225 | 10% | (4)% |
| 30+ Delinq. % (a) | 0.55% | 0.44% | 0.41% | 0.21% | 0.53% | | |
| NPL % | 1.99 | 2.53 | 2.97 | 4.04 | 4.67 | | |
| Charge-offs % (qtr. annualized) | 0.06 | 0.37 | 0.30 | 0.79 | 0.52 | | |
| Allowance / loans % (c) | 0.94% | 1.11% | 1.43% | 1.94% | 2.39% | | |
| Allowance / charge-offs | 18.24x | 2.88x | 4.48x | 2.40x | 4.53x | | |
| Residential CRE | | | | | | | |
| Period-end loans (\$ millions) | \$47 | \$54 | \$58 | \$69 | \$89 | (13)% | (47)% |
| 30+ Delinq. % (a) | 0.44% | -% | -% | 1.19% | 6.69% | | |
| NPL % (d) | 21.83 | 21.98 | 21.63 | 24.46 | 43.53 | | |
| Charge-offs % (qtr. annualized) | NM | NM | NM | 4.29 | 5.74 | | |
| Allowance / loans % (d) | 6.24% | 6.36% | 7.01% | 7.00% | 13.69% | | |
| Allowance / charge-offs | NM | NM | NM | 1.42x | 2.25x | | |
| Consumer Real Estate | | | | | | | |
| Period-end loans (\$ millions) | \$5,549 | \$5,590 | \$5,689 | \$5,735 | \$5,855 | (1)% | (5)% |
| 30+ Delinq. % (a) | 1.10% | 1.21% | 1.36% | 1.46% | 1.39% | | |
| NPL % (e) | 2.15 | 1.21 | 1.13 | 0.96 | 0.70 | | |
| Charge-offs % (qtr. annualized) (f) (g) | 0.96 | 1.33 | 0.68 | 4.54 | 1.64 | | |
| Allowance / loans % | 2.18% | 2.35% | 2.27% | 2.02% | 2.28% | | |
| Allowance / charge-offs (f) (g) | 2.26x | 1.75x | 3.31x | 0.44x | 1.38x | | |
| Permanent Mortgage | | | | | | | |
| Period-end loans (\$ millions) (h) | \$746 | \$793 | \$766 | \$806 | \$756 | (6)% | (1)% |
| 30+ Delinq. % (a) | 2.51% | 2.16% | 2.28% | 2.86% | 1.64% | | |
| NPL % | 5.14 | 4.37 | 4.27 | 4.22 | 4.26 | | |
| Charge-offs % (qtr. annualized) | 0.62 | 1.64 | 0.95 | 1.06 | 1.26 | | |
| Allowance / loans % | 3.63% | 3.21% | 3.26% | 3.17% | 3.85% | | |
| Allowance / charge-offs | 5.64x | 1.93x | 3.32x | 2.98x | 2.99x | | |
| Credit Card and Other | | | | | | | |
| Period-end loans (\$ millions) | \$316 | \$299 | \$289 | \$286 | \$279 | 6% | 13% |
| 30+ Delinq. % (a) | 1.00% | 1.25% | 1.45% | 1.43% | 1.28% | | |
| NPL % | 0.54 | 0.57 | 0.59 | 0.64 | 0.74 | | |
| Charge-offs % (qtr. annualized) | 2.22 | 3.25 | 4.00 | 3.37 | 3.82 | | |
| Allowance / loans % | 2.07% | 2.38% | 2.39% | 2.22% | 2.27% | | |
| Allowance / charge-offs | 0.97x | 0.75x | 0.60x | 0.68x | 0.60x | | |

NM - Not meaningful

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

(b) 2Q13 includes \$144.2 million related to the acquisition of MNB.

(c) 2Q13 decline is related to MNB loans that were acquired at fair value and that do not carry an allowance.

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

(e) NPL levels affected by the implementation of regulatory guidance related to discharged bankruptcies in 3Q12 as well as the impact of placing second liens on nonaccrual based on 3rd party data obtained on the performance status of non-FHN serviced first liens in 2Q13.

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

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

(h) 1Q13 and 3Q12 increases relate to exercise of cleanup calls.

FHN ASSET QUALITY: REGIONAL BANKING

Quarterly, Unaudited

| | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 2Q13 Changes vs. | |
|---|----------|----------|----------|----------|----------|------------------|--------|
| | | | | | | 1Q13 | 2Q12 |
| Total Regional Banking | | | | | | | |
| Period-end loans (\$ millions) | \$12,633 | \$12,127 | \$12,819 | \$12,462 | \$11,962 | 4 % | 6 % |
| 30+ Delinq. % (a) | 0.31% | 0.36% | 0.38% | 0.45% | 0.51% | | |
| NPL % | 1.08 | 1.03 | 1.03 | 1.22 | 1.49 | | |
| Charge-offs % (qtr. annualized) | 0.29 | 0.18 | 0.41 | 0.55 | 0.51 | | |
| Allowance / loans % | 0.99% | 0.99% | 1.00% | 1.14% | 1.30% | | |
| Allowance / charge-offs | 3.56x | 5.32x | 2.55x | 2.11x | 2.61x | | |
| Key Portfolio Details | | | | | | | |
| C&I | | | | | | | |
| Period-end loans (\$ millions) | \$7,864 | \$7,580 | \$8,262 | \$7,929 | \$7,441 | 4 % | 6 % |
| 30+ Delinq. % (a) | 0.13% | 0.17% | 0.23% | 0.32% | 0.31% | | |
| NPL % | 0.96 | 0.89 | 0.85 | 0.97 | 1.11 | | |
| Charge-offs % (qtr. annualized) | 0.27 | 0.10 | 0.26 | 0.29 | 0.45 | | |
| Allowance / loans % | 0.99% | 0.92% | 0.95% | 1.05% | 1.14% | | |
| Allowance / charge-offs | 3.81x | 8.71x | 3.87x | 3.71x | 2.64x | | |
| Income CRE | | | | | | | |
| Period-end loans (\$ millions) (b) | \$1,159 | \$1,048 | \$1,095 | \$1,141 | \$1,183 | 11 % | (2) % |
| 30+ Delinq. % (a) | 0.55% | 0.45% | 0.41% | 0.21% | 0.55% | | |
| NPL % | 1.85 | 2.32 | 2.78 | 3.78 | 4.34 | | |
| Charge-offs % (qtr. annualized) | 0.21 | 0.40 | 0.37 | 0.83 | 0.53 | | |
| Allowance / loans % (c) | 0.83% | 1.00% | 1.33% | 1.81% | 2.14% | | |
| Allowance / charge-offs | 4.29x | 2.42x | 3.38x | 2.12x | 3.99x | | |
| Residential CRE | | | | | | | |
| Period-end loans (\$ millions) | \$43 | \$50 | \$53 | \$61 | \$79 | (14) % | (46) % |
| 30+ Delinq. % (a) | 0.47% | -% | -% | 1.34% | 7.53% | | |
| NPL % (d) | 16.62 | 17.66 | 17.59 | 19.08 | 40.77 | | |
| Charge-offs % (qtr. annualized) | NM | NM | NM | 5.07 | 2.26 | | |
| Allowance / loans % (d) | 6.54% | 6.64% | 7.19% | 7.32% | 14.72% | | |
| Allowance / charge-offs | NM | NM | NM | 1.26x | 6.24x | | |
| Consumer Real Estate | | | | | | | |
| Period-end loans (\$ millions) | \$3,253 | \$3,152 | \$3,121 | \$3,047 | \$2,981 | 3 % | 9 % |
| 30+ Delinq. % (a) | 0.58% | 0.68% | 0.65% | 0.75% | 0.76% | | |
| NPL % (e) | 0.97 | 0.74 | 0.67 | 0.63 | 0.39 | | |
| Charge-offs % (qtr. annualized) (f) | 0.31 | 0.07 | 0.51 | 0.78 | 0.38 | | |
| Allowance / loans % | 0.87% | 0.96% | 0.81% | 0.91% | 0.94% | | |
| Allowance / charge-offs (f) | 2.85x | 13.36x | 1.59x | 1.18x | 2.48x | | |
| Credit Card, Permanent Mortgage, and Other | | | | | | | |
| Period-end loans (\$ millions) | \$314 | \$297 | \$288 | \$284 | \$278 | 6 % | 13 % |
| 30+ Delinq. % (a) | 1.14% | 1.40% | 1.45% | 1.40% | 1.32% | | |
| NPL % | 0.20 | 0.34 | 0.35 | 0.37 | 0.15 | | |
| Charge-offs % (qtr. annualized) | 2.03 | 2.94 | 3.42 | 2.92 | 2.99 | | |
| Allowance / loans % | 2.02% | 2.26% | 2.21% | 2.13% | 2.26% | | |
| Allowance / charge-offs | 1.03x | 0.79x | 0.65x | 0.75x | 0.76x | | |

ASSET QUALITY: CORPORATE
Permanent Mortgage

| | | | | | | | |
|------------------------------------|-------|-------|-------|-------|-------|--------|------|
| Period-end loans (\$ millions) (g) | \$205 | \$229 | \$180 | \$201 | \$119 | (10) % | 72 % |
| 30+ Delinq. % (a) | 1.83% | 2.55% | 1.83% | 2.12% | 0.49% | | |
| NPL % | 2.21 | 0.84 | 1.06 | 1.21 | 0.17 | | |
| 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

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

(b) 2Q13 includes \$144.2 million related to the acquisition of MNB.

(c) 2Q13 decline is related to MNB loans that were acquired at fair value and that do not carry an allowance.

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

(e) NPL levels affected by the implementation of regulatory guidance related to discharged bankruptcies in 3Q12 as well as the impact of placing second liens on nonaccrual based on 3rd party data obtained on the performance status of non-FHN serviced first liens in 2Q13.

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

(g) 1Q13 and 3Q12 increases relate to exercise of cleanup calls.

FHN ASSET QUALITY: NON-STRATEGIC

Quarterly, Unaudited

| | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 2Q13 Changes vs. | |
|---|---------|---------|---------|---------|---------|------------------|-------|
| | | | | | | 1Q13 | 2Q12 |
| Total Non-Strategic | | | | | | | |
| Period-end loans (\$ millions) | \$3,359 | \$3,534 | \$3,710 | \$3,861 | \$4,105 | (5)% | (18)% |
| 30+ Delinq. % (a) | 1.70% | 1.62% | 1.92% | 2.06% | 1.72% | | |
| NPL % (b) | 5.17 | 3.66 | 3.59 | 3.90 | 3.64 | | |
| Charge-offs % (qtr. annualized) | 1.11 | 2.36 | 0.75 | 6.19 | 2.41 | | |
| Allowance / loans % | 4.09% | 4.10% | 4.01% | 3.62% | 4.02% | | |
| Allowance / charge-offs | 3.58x | 1.69x | 5.22x | 0.56x | 1.64x | | |
| Key Portfolio Details | | | | | | | |
| C&I | | | | | | | |
| Period-end loans (\$ millions) | \$503 | \$512 | \$535 | \$537 | \$541 | (2)% | (7)% |
| 30+ Delinq. % (a) | 0.04% | 0.08% | -% | * | -% | | |
| NPL % | 9.13 | 8.95 | 9.82 | 13.65 | 13.77 | | |
| Charge-offs % (qtr. annualized) | NM | NM | NM | NM | * | | |
| Allowance / loans % | 3.14% | 3.24% | 3.37% | 4.37% | 4.78% | | |
| Allowance / charge-offs | NM | NM | NM | NM | NM | | |
| Income CRE | | | | | | | |
| Period-end loans (\$ millions) | \$13 | \$15 | \$15 | \$20 | \$42 | (13)% | (69)% |
| 30+ Delinq. % (a) | -% | -% | -% | -% | -% | | |
| NPL % | 14.02 | 17.34 | 17.16 | 18.84 | 14.07 | | |
| Charge-offs % (qtr. annualized) | NM | NM | NM | NM | 0.30 | | |
| Allowance / loans % | 11.37% | 8.84% | 9.02% | 9.64% | 9.51% | | |
| Allowance / charge-offs | NM | NM | NM | NM | 31.70x | | |
| Residential CRE | | | | | | | |
| Period-end loans (\$ millions) | \$3 | \$4 | \$5 | \$8 | \$10 | (25)% | (70)% |
| 30+ Delinq. % (a) | -% | -% | -% | 0.07% | -% | | |
| NPL % | 91.47 | 80.40 | 63.63 | 65.97 | 65.64 | | |
| Charge-offs % (qtr. annualized) | NM | NM | NM | NM | 30.43 | | |
| Allowance / loans % | 2.22% | 2.49% | 5.13% | 4.58% | 5.40% | | |
| Allowance / charge-offs | NM | NM | NM | NM | 0.15x | | |
| Consumer Real Estate | | | | | | | |
| Period-end loans (\$ millions) | \$2,297 | \$2,438 | \$2,568 | \$2,689 | \$2,874 | (6)% | (20)% |
| 30+ Delinq. % (a) | 1.84% | 1.89% | 2.23% | 2.26% | 2.04% | | |
| NPL % (b) | 3.84 | 1.83 | 1.69 | 1.34 | 1.01 | | |
| Charge-offs % (qtr. annualized) (c) (d) | 1.84 | 2.90 | 0.86 | 8.58 | 2.90 | | |
| Allowance / loans % | 4.03% | 4.15% | 4.04% | 3.28% | 3.67% | | |
| Allowance / charge-offs (c) (d) | 2.12x | 1.39x | 4.51x | 0.37x | 1.24x | | |
| Permanent Mortgage | | | | | | | |
| Period-end loans (\$ millions) | \$527 | \$548 | \$569 | \$588 | \$619 | (4)% | (15)% |
| 30+ Delinq. % (a) | 2.70% | 1.91% | 2.40% | 3.09% | 1.79% | | |
| NPL % | 6.31 | 5.78 | 5.23 | 5.20 | 5.14 | | |
| Charge-offs % (qtr. annualized) | 0.89 | 2.35 | 1.29 | 1.42 | 1.54 | | |
| Allowance / loans % | 5.10% | 4.62% | 4.36% | 4.32% | 4.64% | | |
| Allowance / charge-offs | 5.58x | 1.93x | 3.30x | 2.96x | 2.95x | | |
| Other Consumer | | | | | | | |
| Period-end loans (\$ millions) | \$16 | \$17 | \$18 | \$19 | \$19 | (6)% | (16)% |
| 30+ Delinq. % (a) | 1.99% | 2.26% | 2.82% | 3.59% | 3.52% | | |
| NPL % | 10.02 | 9.61 | 9.23 | 9.41 | 9.32 | | |
| Charge-offs % (qtr. annualized) | 3.72 | 5.44 | 9.49 | 6.92 | 11.66 | | |
| Allowance / loans % | 2.85% | 2.78% | 3.64% | 2.37% | 2.13% | | |
| Allowance / charge-offs | 0.75x | 0.50x | 0.38x | 0.35x | 0.18x | | |

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) NPL levels affected by the implementation of regulatory guidance related to discharged bankruptcies in 3Q12 as well as the impact of placing second liens on nonaccrual based on 3rd party data obtained on the performance status of non-FHN serviced first liens in 2Q13.

(c) 4Q12 charge-offs reflect favorable adjustment for 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.

FHN ROLLFORWARDS OF NONPERFORMING LOANS AND ORE INVENTORY

Unaudited

| (Millions) | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 |
|-----------------------------------|-------|-------|-------|-------|-------|
| Commercial NPL Rollforward | | | | | |
| Beginning NPLs | \$152 | \$168 | \$214 | \$253 | \$268 |
| + Additions | 14 | 9 | 10 | 5 | 21 |
| + Principal increase | - | - | - | - | 1 |
| - Resolutions and payments | (9) | (22) | (29) | (18) | (20) |
| - Net charge-offs | (2) | (2) | (5) | (8) | (12) |
| - Transfer to ORE | - | (1) | - | (2) | (1) |
| - Upgrade to accrual | - | - | (22) | (16) | (4) |
| Ending NPLs | \$155 | \$152 | \$168 | \$214 | \$253 |

| (Millions) | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 |
|--------------------------------------|--------|--------|--------|--------|--------|
| ORE Inventory Rollforward (a) | | | | | |
| Beginning balance | \$32.7 | \$41.8 | \$50.6 | \$48.9 | \$59.1 |
| Valuation adjustments | (1.9) | (1.0) | (1.5) | (2.7) | (2.1) |
| Adjusted balance | 30.8 | 40.8 | 49.1 | 46.2 | 57.0 |
| + New ORE | 4.0 | 1.2 | 7.5 | 11.9 | 6.0 |
| + Acquired ORE | 22.8 | - | - | - | - |
| + Capitalized expenses | - | - | 0.1 | 0.2 | 0.2 |
| Disposals: | | | | | |
| - Single transactions | (5.8) | (9.3) | (13.6) | (7.7) | (12.6) |
| - Bulk sales | - | - | (1.3) | - | (1.7) |
| Ending balance | \$51.8 | \$32.7 | \$41.8 | \$50.6 | \$48.9 |

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

FHN: PORTFOLIO METRICS

Unaudited

C&I Portfolio: \$8.4 Billion (51.7% of Total Loans) as of June 30, 2013

| | % OS |
|---|------|
| General Corporate, Commercial, and Business Banking Loans | 78% |
| Loans to Mortgage Companies | 16% |
| Trust Preferred Loans | 5% |
| Bank Holding Company Loans | 1% |

Consumer Real Estate (primarily Home Equity) Portfolio: \$5.5 Billion (34.3% of Total Loans)

Origination LTV and FICO for Portfolio as of June 30, 2013

(excludes whole loan insurance)

| | Loan-to-Value | | | |
|---|---------------|-------------|-----------|------|
| | <=60% | 60% - <=80% | 80% - 90% | >90% |
| FICO score greater than or equal to 740 | 11% | 23% | 17% | 7% |
| FICO score 720-739 | 2% | 4% | 4% | 2% |
| FICO score 700-719 | 1% | 4% | 4% | 2% |
| FICO score 660-699 | 2% | 4% | 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 June 30, 2013

(excludes whole loan insurance)

| | Loan-to-Value | | | |
|---|---------------|-------------|-----------|------|
| | <=60% | 60% - <=80% | 80% - 90% | >90% |
| FICO score greater than or equal to 740 | 13% | 24% | 18% | 9% |
| FICO score 720-739 | 1% | 4% | 3% | 2% |
| FICO score 700-719 | 1% | 3% | 2% | 2% |
| FICO score 660-699 | 1% | 4% | 3% | 2% |
| FICO score 620-659 | 1% | 1% | 1% | 1% |
| FICO score less than 620 | 1% | 1% | 1% | 1% |

Origination LTV and FICO for Portfolio - Non-Strategic as of June 30, 2013

(excludes whole loan insurance)

| | Loan-to-Value | | | |
|---|---------------|-------------|-----------|------|
| | <=60% | 60% - <=80% | 80% - 90% | >90% |
| FICO score greater than or equal to 740 | 8% | 22% | 15% | 5% |
| FICO score 720-739 | 2% | 6% | 5% | 2% |
| FICO score 700-719 | 2% | 6% | 6% | 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) | Origination Characteristics | | | | |
|----------|----------------|-----------------------------|------|---------|------|------------|
| | | W/A Age (mo.) | CLTV | FICO | % TN | % 1st lien |
| pre-2003 | \$0.1 | 139 | 78% | 706 | 44% | 32% |
| 2003 | \$0.3 | 120 | 76% | 726 | 32% | 37% |
| 2004 | \$0.5 | 107 | 79% | 724 | 21% | 27% |
| 2005 | \$0.7 | 95 | 81% | 729 | 17% | 16% |
| 2006 | \$0.6 | 84 | 78% | 732 | 22% | 17% |
| 2007 | \$0.7 | 72 | 80% | 737 | 25% | 18% |
| 2008 | \$0.3 | 61 | 76% | 745 | 72% | 51% |
| 2009 | \$0.2 | 49 | 72% | 749 | 87% | 58% |
| 2010 | \$0.3 | 35 | 80% | 750 | 92% | 74% |
| 2011 | \$0.5 | 23 | 77% | 760 | 90% | 86% |
| 2012 | \$0.9 | 12 | 76% | 760 | 89% | 91% |
| 2013 | \$0.4 | 3 | 76% | 759 | 88% | 90% |
| Total | \$5.5 | 62 | 78% | 742 (a) | 52% | 48% |

(a) 742 average portfolio origination FICO; 735 weighted average portfolio FICO (refreshed).

Permanent Mortgage Portfolio: \$.7 Billion (4.6% of Total Loans) (a) (b)

| Origination LTV for Portfolio as of June 30, 2013 : | Loan-to-Value | | | |
|---|---------------|-------------|-----------|------|
| | <= 60% | 60% - <=80% | 80% - 90% | >90% |
| | 19% | 71% | 5% | 5% |

(a) Documentation type: 72% full doc; 23% stated; 5% other.

(b) Product type: 72% jumbo; 11% Alt A; 17% other.

FHN NON-GAAP TO GAAP RECONCILIATION

Quarterly, Unaudited

| (Thousands) | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 |
|--|--------------|--------------|--------------|--------------|--------------|
| Tangible Common Equity (Non-GAAP) | | | | | |
| (A) Total equity (GAAP) | \$2,546,351 | \$2,599,727 | \$2,509,206 | \$2,531,888 | \$2,514,406 |
| Less: Noncontrolling interest (a) | 295,374 | 295,257 | 295,165 | 295,165 | 295,165 |
| Less: Preferred stock | 95,624 | 95,624 | - | - | - |
| (B) Total common equity | \$2,155,353 | \$2,208,846 | \$2,214,041 | \$2,236,723 | \$2,219,241 |
| Less: Intangible assets (GAAP) (b) | 170,906 | 156,014 | 156,942 | 157,921 | 158,901 |
| (C) Tangible common equity (Non-GAAP) | \$1,984,447 | \$2,052,832 | \$2,057,099 | \$2,078,802 | \$2,060,340 |
| Less: Unrealized gains on AFS securities, net of tax | 9,439 | 48,591 | 55,250 | 63,923 | 63,679 |
| (D) Adjusted tangible common equity (Non-GAAP) (c) | \$1,975,008 | \$2,004,241 | \$2,001,849 | \$2,014,879 | \$1,996,661 |
| Tangible Assets (Non-GAAP) | | | | | |
| (E) Total assets (GAAP) | \$25,133,274 | \$25,166,427 | \$25,520,140 | \$25,739,830 | \$25,492,955 |
| Less: Intangible assets (GAAP) (b) | 170,906 | 156,014 | 156,942 | 157,921 | 158,901 |
| (F) Tangible assets (Non-GAAP) | \$24,962,368 | \$25,010,413 | \$25,363,198 | \$25,581,909 | \$25,334,054 |
| Period-end Shares Outstanding | | | | | |
| (G) Period-end shares outstanding | 240,555 | 241,225 | 243,598 | 247,134 | 248,810 |
| Tier 1 Common (Non-GAAP) | | | | | |
| (H) Tier 1 capital (d) (e) | \$2,712,398 | \$2,738,558 | \$2,640,776 | \$2,641,392 | \$2,626,688 |
| Less: Noncontrolling interest - FTBNA preferred stock (a) (f) | 294,816 | 294,816 | 294,816 | 294,816 | 294,816 |
| Less: Preferred Stock | 95,624 | 95,624 | - | - | - |
| Less: Trust preferred (g) | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| (I) Tier 1 common (Non-GAAP) | \$2,121,958 | \$2,148,118 | \$2,145,960 | \$2,146,576 | \$2,131,872 |
| Risk Weighted Assets | | | | | |
| (J) Risk weighted assets (d) (e) | \$20,550,720 | \$20,231,850 | \$20,153,430 | \$20,082,979 | \$20,022,430 |
| Ratios | | | | | |
| (C)/(F) Tangible common equity to tangible assets ("TCE/TA") (Non-GAAP) | 7.95% | 8.21% | 8.11% | 8.13% | 8.13% |
| (A)/(E) Total equity to total assets (GAAP) | 10.13% | 10.33% | 9.83% | 9.84% | 9.86% |
| (C)/(G) Tangible book value per common share (Non-GAAP) | \$8.25 | \$8.51 | \$8.44 | \$8.41 | \$8.28 |
| (B)/(G) Book value per common share (GAAP) | \$8.96 | \$9.16 | \$9.09 | \$9.05 | \$8.92 |
| (I)/(J) Tier 1 common to risk weighted assets (Non-GAAP) (d) | 10.33% | 10.62% | 10.65% | 10.69% | 10.65% |
| (H)/(E) Tier 1 capital to total assets (GAAP) (d) | 10.79% | 10.88% | 10.35% | 10.26% | 10.30% |
| (D)/(J) Adjusted tangible common equity to risk weighted assets ("TCE/RWA") (Non-GAAP) (c) (d) | 9.61% | 9.91% | 9.93% | 10.03% | 9.97% |
| Net interest income adjusted for impact of fully taxable equivalent ("FTE") (Non-GAAP) | | | | | |
| Regional Banking | | | | | |
| Net interest income (GAAP) | \$147,324 | \$146,068 | \$153,889 | \$151,136 | \$148,599 |
| FTE adjustment | 1,756 | 1,670 | 1,645 | 1,555 | 1,580 |
| Net interest income adjusted for impact of FTE (Non-GAAP) | \$149,080 | \$147,738 | \$155,534 | \$152,691 | \$150,179 |
| Capital Markets | | | | | |
| Net interest income (GAAP) | \$4,031 | \$3,900 | \$4,248 | \$4,753 | \$5,608 |
| FTE adjustment | 149 | 109 | 186 | 175 | 160 |
| Net interest income adjusted for impact of FTE (Non-GAAP) | \$4,180 | \$4,009 | \$4,434 | \$4,928 | \$5,768 |
| Corporate | | | | | |
| Net interest income (GAAP) | \$(9,963) | \$(8,621) | \$(8,998) | \$(6,096) | \$(5,538) |
| FTE adjustment | 8 | 8 | 11 | 22 | 16 |
| Net interest income adjusted for impact of FTE (Non-GAAP) | \$(9,955) | \$(8,613) | \$(8,987) | \$(6,074) | \$(5,522) |
| Non-Strategic | | | | | |
| Net interest income (GAAP) | \$18,627 | \$20,035 | \$21,459 | \$23,672 | \$24,006 |
| FTE adjustment | - | - | - | - | - |
| Net interest income adjusted for impact of FTE (Non-GAAP) | \$18,627 | \$20,035 | \$21,459 | \$23,672 | \$24,006 |
| Total Consolidated | | | | | |
| Net interest income (GAAP) | \$160,019 | \$161,382 | \$170,598 | \$173,465 | \$172,675 |
| FTE adjustment | 1,913 | 1,787 | 1,842 | 1,752 | 1,756 |
| Net interest income adjusted for impact of FTE (Non-GAAP) | \$161,932 | \$163,169 | \$172,440 | \$175,217 | \$174,431 |

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 Common Equity to Risk Weighted Assets: Common equity excluding intangible assets and unrealized gains/losses on available-for-sale securities divided by risk weighted assets.

Core Businesses: 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: Residential real estate secured loans where the borrower has been discharged from personal liability through bankruptcy proceedings. Such loans that have not been reaffirmed by the borrower are charged down to estimated collateral value less disposition costs (net realizable value) and are reported as nonaccruing TDRs.

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: Restricted loans that are assets of a consolidated variable interest entity that can be used only to settle obligations of the consolidated variable interest entity.

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.

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.
