
Section 1: 8-K (FORM 8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event Reported): January 18, 2019

First Horizon National Corporation
(Exact Name of Registrant as Specified in Charter)

TN
(State or Other Jurisdiction of Incorporation)

001-15185
(Commission File Number)

62-0803242
(I.R.S. Employer Identification Number)

165 MADISON AVENUE, MEMPHIS, TENNESSEE 38103
(Address of Principal Executive Offices) (Zip Code)

(901) 523-4444
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

Item 7.01. Regulation FD Disclosure.

Furnished as Exhibit 99.1 is a copy of the First Horizon National Corporation ("FHN") earnings release for the quarter and year ended December 31, 2018, which is scheduled to be released January 18, 2019.

The foregoing information is furnished pursuant to Item 2.02, "Regulation of Operations and Financial Condition," and Item 7.01, "Regulation FD Disclosure." The exhibit speaks as of the date thereof and FHN does not assume any obligation to update in the future the information therein.

Use of Non-GAAP Measures and Regulatory Measures that are not GAAP in the Exhibit

Certain measures are included in the exhibit that are "non-GAAP," meaning (under U.S. financial reporting rules) they are not presented in accordance with generally accepted accounting principles ("GAAP") in the U.S. and also are not codified in the U.S. banking regulations currently applicable to FHN. Although other entities may use calculation methods that differ from those used by FHN for non-GAAP measures, FHN's management believes such measures are relevant to understanding the financial condition, capital position, and financial results of FHN and its business segments. Non-GAAP measures are reported to FHN's management and directors through various internal reports.

Presentation of regulatory measures, some of which follow regulatory definitions rather than GAAP, provides a meaningful base for comparability to other financial institutions subject to the same regulations as FHN. Such measures are used by the various banking regulators in reviewing the performance, stability, and capital adequacy of financial institutions they regulate. Although not GAAP terms, these regulatory measures are not considered "non-GAAP" under U.S. financial reporting rules as long as their presentation conforms to regulatory standards. Regulatory measures used in the exhibit include: common equity tier 1 capital, generally defined as common equity less goodwill, other intangibles, and certain other required regulatory deductions; tier 1 capital, generally defined as the sum of core capital (including common equity and instruments that cannot be redeemed at the option of the holder) adjusted for certain items under risk based capital regulations; and risk weighted assets ("RWA"), which is a measure of total on- and off-balance sheet assets adjusted for credit and market risk, used to determine regulatory capital ratios. The non-GAAP measures presented in the exhibit include: Return on average tangible common equity ("ROTCE"), Adjusted return on average common equity ("ROCE"), Adjusted ROTCE, Adjusted return on average assets ("ROA"), and Adjusted earnings per share ("EPS").

Reconciliations of non-GAAP to GAAP measures and presentation of the most comparable GAAP items are presented at the end of the earnings release.

Forward-Looking Statements

This earnings release 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 earnings release and in FHN's most recent financial supplement and investor slide presentation, 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 forward-looking statements or to publicly announce the result of any revisions to any of the forward-looking statements to reflect future events or developments.

ITEM 9.01. Financial Statements and Exhibits.

(d) Exhibits

The following exhibit is furnished pursuant to Items 2.02 and 7.01, is not to be considered "filed" under the Securities Exchange Act of 1934, as amended ("Exchange Act"), and shall not be incorporated by reference into any of First Horizon's previous or future filings under the Securities Act of 1933, as amended, or the Exchange Act

Exhibit # Description

[99.1 First Horizon National Corporation earnings release issued for the quarter and year ended December 31, 2018.](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

First Horizon National Corporation

Date: January 18, 2019

By: /s/ William C. Losch III
William C. Losch III
Executive Vice President and Chief Financial Officer

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Section 2: EX-99.1 (PRESS RELEASE)

EXHIBIT 99.1

First Horizon Releases 2018 Fourth Quarter and Full Year Financial Results

Company achieved high returns and synergies from merger with Capital Bank

MEMPHIS, Tenn., Jan. 18, 2019 (GLOBE NEWSWIRE) -- First Horizon National Corp. (NYSE:FHN) today announced its 2018 fourth quarter and full year financial results. The company wrapped up a year of high returns and growth in deposits and loans in key markets including Tennessee, the Mid-Atlantic and South Florida. Reported earnings per share were \$1.65 in 2018, compared to \$0.65 in 2017; the improvement was largely driven by the merger with Capital Bank in 2017, the gain on the sale of Visa Class B shares in 2018, and tax reform. Reported earnings per share were \$.30 in fourth quarter 2018; adjusted earnings per share were \$.35¹ in fourth quarter 2018.

“The growth we achieved in 2018 will allow us to continue building from a position of strength in 2019,” said Bryan Jordan, First Horizon’s chairman and CEO. “We look forward to opportunities for continued, profitable expansion in key markets across the Southeastern U.S. and remain optimistic about the economy based on the financial health of our current customers, their activity and our ability to attract new business. We are proud of the impact we’re making in our communities – from providing jobs, offering customers competitive products and services, and investing through our employees and foundation – and will continue to strengthen our efforts in the year ahead.”

Other highlights from the year include:

- Declared cash dividends of \$.48 per share of common stock in 2018, up from \$.36 per share of common stock in 2017
- Deployed capital through approximately \$100 million share repurchases, with more than \$80 million of shares in fourth quarter 2018
- Executed Capital Bank merger priorities, the largest merger in the company’s history

During 2018, First Horizon also reinforced its commitment to its communities with several new initiatives. In April 2018, First Horizon unveiled a five-year, \$3.95 billion community benefit plan to increase access to financial resources within low- to moderate-income communities across the First Tennessee Bank and Capital Bank footprints. In addition, the company celebrated the 25th anniversary of the First Horizon Foundation and introduced the Capital Bank Foundation through its 25 Years of Giving Video Contest that awarded 35 nonprofits with grants totaling \$275,000. First Horizon also released its inaugural Corporate Social Responsibility Report in December 2018 that highlights the company’s environmental, social and governance initiatives.

2018 Financial Highlights

interest	2,910	2,883	2,910	1 %	*	11,465	11,465	*
Net income/(loss) attributable to controlling interest	97,895	271,833	(51,291)	(64) %	NM	545,042	165,515	NM
Preferred stock dividends	1,550	1,550	1,550	*	*	6,200	6,200	*

Net income/(loss) available to common shareholders	\$ 96,345	\$ 270,283	\$ (52,841)	(64) %	NM	\$ 538,842	\$ 159,315	NM
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Common Stock Data

EPS	\$ 0.30	\$ 0.83	\$ (0.20)	(64) %	NM	\$ 1.66	\$ 0.66	NM
Basic shares (thousands)	321,505	324,406	265,169	(1) %	21 %	324,375	241,436	34 %
Diluted EPS	\$ 0.30	\$ 0.83	\$ (0.20)	(64) %	NM	\$ 1.65	\$ 0.65	NM
Diluted shares (thousands)	323,885	327,252	265,169	(1) %	22 %	327,445	244,453	34 %
Period-end shares outstanding (thousands)	318,573	323,943	326,736	(2) %	(2) %	318,573	326,736	(2) %
Cash dividends declared per share	\$ 0.12	\$ 0.12	\$ 0.09	*	33 %	\$ 0.48	\$ 0.36	33 %

Balance Sheet

Highlights (Period-End)

Total loans, net of unearned income	\$ 27,535,532	\$ 27,350,214	\$ 27,658,929	1 %	*
Total deposits	32,682,992	31,008,085	30,620,362	5 %	7 %
Total assets	40,833,117	40,635,924	41,423,388	*	(1) %
Total liabilities	36,056,231	35,893,993	36,842,900	*	(2) %
Total equity	4,776,886	4,741,931	4,580,488	1 %	4 %

Asset Quality

Highlights

Allowance for loan losses	\$ (180,424)	\$ (185,959)	\$ (189,555)	(3) %	(5) %
Allowance / period-end loans	0.66 %	0.68 %	0.69 %		
Net charge-offs	\$ 11,535	\$ 1,503	\$ 8,312	NM	39 %
Net charge-offs (annualized) / average loans	0.17 %	0.02 %	0.15 %		
Non-performing assets (NPA)	\$ 175,464	\$ 177,758	\$ 177,156	(1) %	(1) %
NPA % (a)	0.62 %	0.63 %	0.61 %		

Key Ratios & Other

Return on average assets ("ROA") (quarters are annualized) (b) (d)	0.99 %	2.72 %	(0.58) %	1.38 %	0.59 %
Return on average common equity					

("ROCE") (quarters are annualized) (c)					
(d)	8.81 %	25.41 %	(6.73) %	12.75 %	6.18 %
Return on tangible common equity ("ROTCE") (quarters are annualized) (d) (e)	13.80 %	40.51 %	(8.78) %	20.28 %	7.23 %
Net interest margin (f)	3.38 %	3.44 %	3.27 %	3.45 %	3.12 %
Efficiency ratio (g)	68.30 %	66.55 %	92.41 %	70.63 %	76.85 %
Common equity tier 1 ratio ("CET1") (h)	9.75 %	9.84 %	8.88 %		
Tier 1 ratio (h)	10.79 %	10.86 %	9.83 %		
Market capitalization (millions) (i)	\$ 4,192.4	\$ 5,591.3	\$ 6,531.5		

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

NM - Not meaningful

* Amount is less than one percent.

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

(b) Calculated using net income.

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

(d) 3Q18 includes a pre-tax gain of \$212.9 million from the sale of Visa Class B Shares which impacts certain performance measures.

(e) This non-GAAP measure is reconciled to ROCE in the non-GAAP to GAAP reconciliation.

(f) Net interest margin is computed using net interest income adjusted to a fully taxable equivalent ("FTE") basis assuming a statutory federal income tax rate of 21 and 35 percent for 2018 and 2017, respectively and, where applicable, state income taxes.

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

(h) Current quarter is an estimate.

(i) 4Q18 decrease driven by a decrease in FHN's stock price on the last day of the quarter and 5.4 million of shares repurchased under share repurchase programs.

Use of Non-GAAP Measures

Several financial measures in this release are non-GAAP, meaning they are not presented in accordance with generally accepted accounting principles (GAAP) in the U.S. The non-GAAP items presented in this release are adjusted earnings per share ("EPS"), adjusted return on average common equity ("ROCE"), return on tangible common equity ("ROTCE"), adjusted ROTCE, and adjusted return on average assets ("ROA"). These profitability measures are reported to First Horizon's management and directors through various internal reports. First Horizon's management believes these measures are relevant to understanding the financial results of First Horizon and its business segments. 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 First Horizon. First Horizon has reconciled each of these measures to a comparable GAAP measure below:

FHN NON-GAAP TO GAAP RECONCILIATION

Quarterly/Annually, Unaudited

	<u>Twelve Months Ended</u>				
<u>(Dollars and shares in thousands, except per share data)</u>	4Q18	3Q18	4Q17	2018	2017
Average Tangible Common Equity (Non-					

GAAP)					
Average total equity (GAAP)	\$4,730,698	\$4,611,302	\$3,506,165	\$4,617,529	\$2,970,308
Less: Average noncontrolling interest (a)	295,431	295,431	295,431	295,431	295,431
Less: Average preferred stock (a)	95,624	95,624	95,624	95,624	95,624
(A) Total average common equity	\$4,339,643	\$4,220,247	\$3,115,110	\$4,226,474	\$2,579,253
Less: Average intangible assets (GAAP) (b)	1,569,533	1,572,886	726,958	1,569,987	376,306
(B) Average tangible common equity (Non-GAAP)	\$2,770,110	\$2,647,361	\$2,388,152	\$2,656,487	\$2,202,947

Net Income Available to Common Shareholders

(C) Net income/(loss) available to common shareholders ("NIAC") (quarters are annualized) (GAAP)	\$ 382,238	\$1,072,318	\$ (209,641)	\$ 538,842	\$ 159,315
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Ratios

(C)/(A) Return on average common equity ("ROCE") (GAAP)	8.81 %	25.41 %	(6.73) %	12.75 %	6.18 %
(C)/(B) Return on average tangible common equity ("ROTCE") (Non-GAAP)	13.80 %	40.51 %	(8.78) %	20.28 %	7.23 %

Adjusted Net Income Available to Common Shareholders

<i>(Dollars in Millions)</i>	4Q18	2018
(D) NIAC (GAAP)	\$ 96.3	\$ 538.8
Less: After Tax Impact of Notable Items (c)	(16.6)	78.2
(E) Adjusted net income (Non-GAAP)	\$ 112.9	\$ 460.7

Adjusted Net Income

(F) Net income (GAAP)	\$ 556.5
Less: After Tax Impact of Notable Items (c)	78.2
(G) Adjusted net income (Non-GAAP)	\$ 478.3

Average Assets

(H) Average Assets (GAAP)	\$ 40,225
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Average Tangible Common Equity (Non-GAAP)

(I) Average common equity	\$ 4,226.5
Less: Average intangible assets (GAAP) (b)	1,570.0
(J) Average tangible common equity (Non-GAAP)	\$ 2,656.5
Less: Equity impact for notable items (d)	46.2
(K) Adjusted average tangible common equity (Non-GAAP)	\$ 2,610.3

Diluted Shares

(L) Diluted shares	323.9	327.4
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Adjusted Ratios & EPS Impacts

(D)/(L) Diluted earnings per share ("EPS") (GAAP)	\$	0.30	\$	1.65
(E)/(L) Adjusted diluted EPS (Non-GAAP)	\$	0.35	\$	1.41
(F)/(H) Return on Average Assets ("ROA") (GAAP)				1.38 %
(G)/(H) Adjusted ROA (Non-GAAP)				1.19 %
(D)/(I) Return on Average Common Equity ("ROCE") (GAAP)				12.7 %
(E)/(I) Adjusted ROCE (Non-GAAP)				11.0 %
(D)/(J) ROTCE (Non-GAAP)				20.3 %
(E)/(J) Adjusted ROTCE (Non-GAAP)				17.7 %

Numbers may not add to total due to rounding.

(a) Included in Total equity on the Consolidated Balance Sheet.

(b) Includes goodwill and other intangible assets, net of amortization.

(c) 3Q18 includes \$(13.4) million of pre-tax acquisition-related items primarily associated with the Capital Bank Financial Corp. ("CBF") acquisition and an \$(8.7) million pre-tax adjustment related to the return on excess fees received from Capital Bank debit card transactions which impact certain performance measures, and are adjusted using an incremental tax rate of approximately 24 percent; 2018 includes a \$212.9 million gain from the sale of Visa Class B Shares, \$(99.4) million of pre-tax acquisition-related items primarily associated with the Capital Bank Financial Corp. ("CBF") acquisition, a \$3.3 million gain on the sale of a building, a \$(4.1) million of valuation adjustments associated with derivatives related to prior sales of Visa Class B shares, and an \$(8.7) million pre-tax adjustment related to the return on excess fees received from Capital Bank debit card transactions which impact certain performance measures, and are adjusted using an incremental tax rate of approximately 24 percent.

(d) Includes the average after-tax impact of \$78.2 million of notable items recognized in 2018.

Conference call

Management will hold a conference call at 8:30 a.m. Central Time today to review earnings and performance trends. There will also be a live webcast accompanied by the slide presentation available in the investor relations section of www.FirstHorizon.com. The call and slide presentation may involve forward-looking information, including guidance.

Callers wishing to participate may call toll-free starting at 8:15 a.m. CT on Jan. 18 by dialing 888-317-6003 and entering access code 5218993. The number for international participants is 412-317-6061.

Participants can also listen to the live audio webcast with the accompanying slide presentation through the investor relations section of www.fhnc.com. A replay will be available from noon CT on Jan. 18, until midnight CT on Feb. 1. To listen to the replay, dial 877-344-7529 or 412-317-0088. The access code is 10127489. The event also will be archived and available beginning Jan. 18 by midnight CT in the events and presentations section of <http://ir.fhnc.com>.

Debt Investor Materials

First Horizon expects to post additional materials for debt investors on March 6, 2019 in the investor relations section of www.FirstHorizon.com. First Horizon will also provide these materials to analysts at upcoming meetings. The debt investor materials posted may contain forward-looking statements, including guidance, involving significant risks and uncertainties, which will be identified by words such as "believe," "expect," "anticipate," "intend," "estimate," "should," "is likely," "will," "going forward" and other expressions that indicate future events and trends and may be followed by or reference cautionary statements. A number of factors could cause actual results to differ materially from those in the forward-looking information. These factors are outlined in our most recent earnings press release and in more detail in our most current 10-Q and 10-K reports. First Horizon disclaims any obligation to update any of the forward-looking statements that are made from time to time to reflect future events or developments or changes in expectations.

Disclaimers and Other Information

This communication 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, ability to execute business plans, geopolitical developments, recent and future legislative and regulatory developments, inflation or deflation, market (particularly real estate market) and monetary fluctuations, natural disasters, customer, investor and regulatory responses to these conditions and items already mentioned in this press release, as well as critical accounting estimates and other factors described in First Horizon's annual report on Form 10-K and other recent filings with the SEC. First Horizon 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 or changes in expectations.

About First Horizon

First Horizon National Corp. (NYSE:FHN) provides financial services through its First Tennessee, Capital Bank, FTB Advisors, and FTN Financial businesses. First Horizon operates approximately 300 bank locations across the southern U.S. and 28 FTN Financial offices across the entire U.S. Our banking subsidiary was founded in 1864 and has the 14th oldest national bank charter in the country. Our First Tennessee and Capital Bank brands have the largest deposit market share in Tennessee and one of the highest customer retention rates of any bank in the country. We have been ranked by American Banker as No. 5 among the Top 10 Most Reputable U.S. Banks. Our FTB Advisors wealth management group has more than 300 financial professionals and provides services to about \$4.8 billion in assets under management. FTN Financial is a capital markets industry leader in fixed income sales, trading and strategies for institutional customers in the U.S. and abroad. We have been recognized as one of the nation's best employers by American Banker magazine and the National Association for Female Executives. More information is available at www.FirstHorizon.com.

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A PDF accompanying this announcement is available at <http://resource.globenewswire.com/Resource/Download/37c955a2-2e37-41ee-8694-bb4b48a05a16>

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