

DELIVERING STRONG EXECUTION & WELL-POSITIONED TO ACHIEVE CONSISTENT TOP-QUARTILE RETURNS



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"First Horizon's third quarter results demonstrate our continued focus on our growth priorities. We are leveraging our strong position in Tennessee and building momentum in our markets in the Carolinas and Florida. The Capital Bank transaction is delivering higher earnings accretion from cost savings and revenue synergies and has provided us with compelling opportunities. Looking ahead, we believe that First Horizon is well-positioned to deliver consistent top-quartile returns."



**FOUNDED IN
1864**
one of the
**OLDEST
NATIONAL
BANK CHARTERS**
in the US



**ASSETS
\$41B**



**FINANCIAL
CENTERS
~300**



**EMPLOYEES
~6,000**



**DEPOSITS
\$31B**



**RESPONSIBLE CORPORATE CITIZEN
~\$4B**

committed to support low- to moderate-income communities in 8 Southeast states

+\$80M distributed by First Horizon Foundation (est. 1993) to nonprofits to support First Horizon's communities

25TH anniversary of First Horizon Foundation

21 Hope Inside locations offer free financial education to communities across our footprint



**NAMED ONE
OF THE BEST
EMPLOYERS BY
Forbes**

AMERICAN BANKER

FORTUNE

Diversity Best Practices

3Q 2018

KEY FINANCIAL HIGHLIGHTS

EPS **\$0.83**

ADJUSTED EPS¹ **\$0.36**

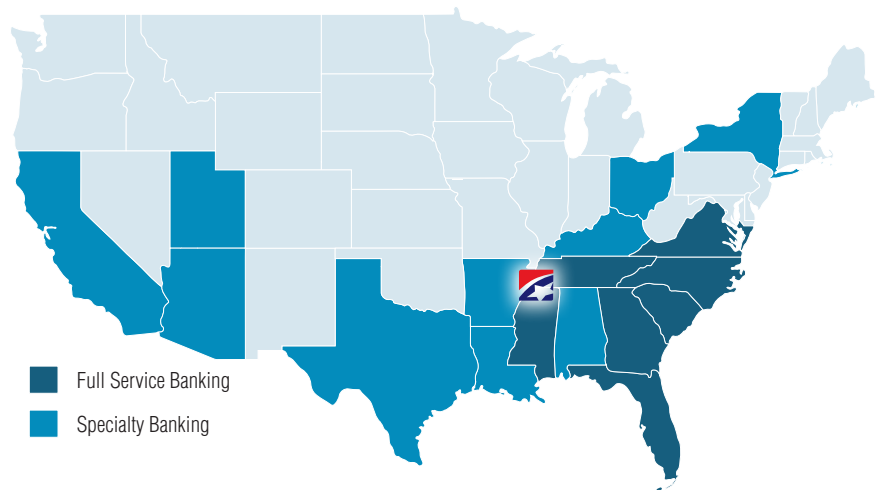
ROA **2.72%**

ADJUSTED ROA¹ **1.21%**

ROTCE¹ **40.5%**

ADJUSTED ROTCE¹ **17.9%**

COMPELLING GEOGRAPHIC FOOTPRINT IN ATTRACTIVE MARKETS WITH SPECIALTY AREAS PROVIDING FURTHER GROWTH OPPORTUNITIES



TOP MARKET SHARE

in Tennessee overall and in 4 of 5 top MSAs

COMPELLING GROWTH OPPORTUNITIES

in Carolinas and Florida to enhance deposits

SIGNIFICANT OPPORTUNITIES IN SPECIALTY BUSINESSES

better risk-adjusted returns, efficiency and competitive advantages

CAPITAL BANK MERGER COMPLETED WITH MORE FAVORABLE ECONOMICS

successfully completed large-scale conversion; EPS accretion now estimated to be more than 2x original assumptions

¹These are non-GAAP numbers that are reconciled to reported GAAP numbers in the non-GAAP table on the next page.

USE OF NON-GAAP MEASURES

Several financial measures in this communication 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 communication are adjusted earnings per share ("EPS"), 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, Unaudited

<i>(Dollars and shares in thousands, except per share data)</i>	3Q18
Adjusted Net Income Available to Common Shareholders (Non-GAAP)	
(A) Net income available to common shareholders (GAAP)	\$ 270,283
Less: After-tax impact of notable items (GAAP) (a)	152,545
(B) Adjusted net income available to common shareholders (Non-GAAP)	117,738
(C) Annualized net income available to common shareholders (GAAP)	1,072,318
(D) Annualized adjusted net income available to common shareholders (Non-GAAP)	467,113
Diluted Shares	
(E) Diluted shares	327,252
Adjusted Net Income (Non-GAAP)	
(F) Net income (GAAP)	\$ 274,716
Less: After-tax impact of notable items (GAAP) (a)	152,545
(G) Adjusted net income (Non-GAAP)	122,171
(H) Annualized net income (GAAP)	1,089,906
(I) Annualized adjusted net income (Non-GAAP)	484,700
Average Assets (GAAP)	
(J) Average assets	\$ 40,077,033
Average Tangible Common Equity (Non-GAAP)	
Average total equity (GAAP)	\$ 4,611,302
Less: Average noncontrolling interest (b)	295,431
Less: Average preferred stock (b)	95,624
(K) Total average common equity	4,220,247
Less: Average intangible assets (GAAP) (c)	1,572,886
(L) Average tangible common equity (Non-GAAP)	\$ 2,647,361
Less: Equity impact for notable items (d)	33,162
(M) Adjusted average tangible common equity (Non-GAAP)	\$ 2,614,199
Adjusted Ratios & EPS Impacts	
(A)/(E) Diluted earnings per share ("EPS") (GAAP)	\$ 0.83
(B)/(E) Adjusted diluted EPS (Non-GAAP)	\$ 0.36
(H)/(J) Return on average assets ("ROA") (GAAP)	2.72 %
(I)/(J) Adjusted ROA (GAAP)	1.21 %
(C)/(K) Return on average common equity ("ROE") (GAAP)	25.4 %
(C)/(L) Return on average tangible common equity ("ROTCE") (Non-GAAP)	40.5 %
(D)/(L) Adjusted ROTCE (Non-GAAP)	17.9 %

- (a) Includes a \$212.9 million gain from the sale of Visa Class B Shares and \$11.4 million of pre-tax acquisition-related expenses primarily associated with the Capital Bank Financial Corp. ("CBF") acquisition which impact certain performance measures, and are adjusted using an incremental tax rate of approximately 24 percent.
- (b) Included in Total equity on the Consolidated Balance Sheet.
- (c) Includes goodwill and other intangible assets, net of amortization.
- (d) Includes the average after-tax impact of \$152.5 million of notable items recognized in 3Q18.

DISCLAIMERS AND OTHER INFORMATION

This communication contains may contain, forward-looking statements, including guidance, involving significant risks and uncertainties. Forward-looking statements are 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 important factors could cause actual results to differ materially from those in the forward-looking statements. 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 communication, 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.