



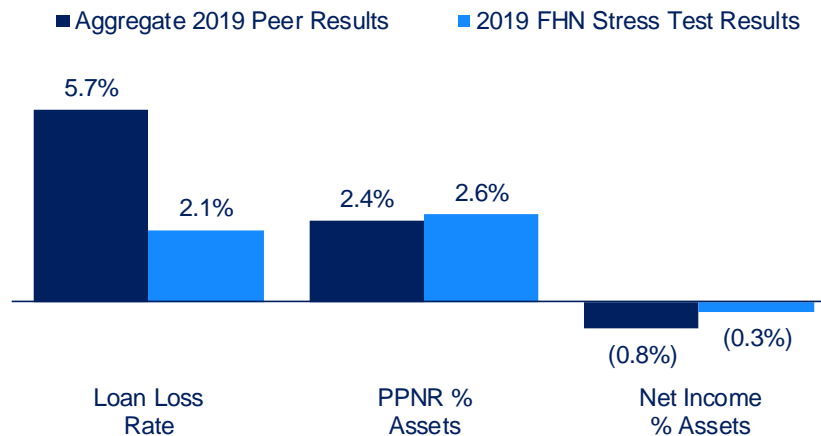
First Horizon National Corporation  
2019 Stress Testing Results  
November 2019

# Stress Testing

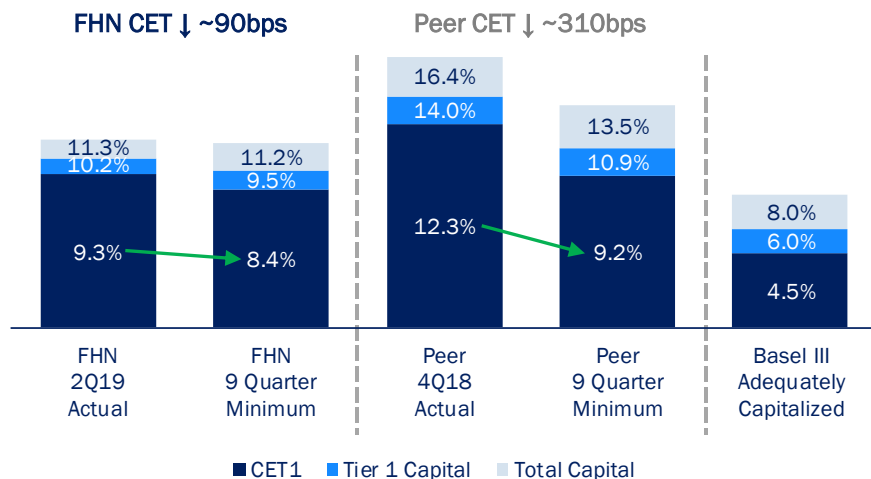
## 2019 stress testing results confirm capital strength

- Ability to manage capital through severely adverse conditions and maintain minimum CET1 of 8.4%
- FHN's stressed loss rate of 2.1% less than half peer<sup>1</sup> rate of 5.7%
- Ability to manage further losses & idiosyncratic risks
- Assumes maintenance of \$0.14/share common dividend to FHN shareholders<sup>2</sup>
- FHN Financial enhances earnings in periods of market volatility and contributes 24% of PPNR over the 9Q planning horizon. Anticipate immaterial counterparty losses vs. peers at 28% of PPNR.

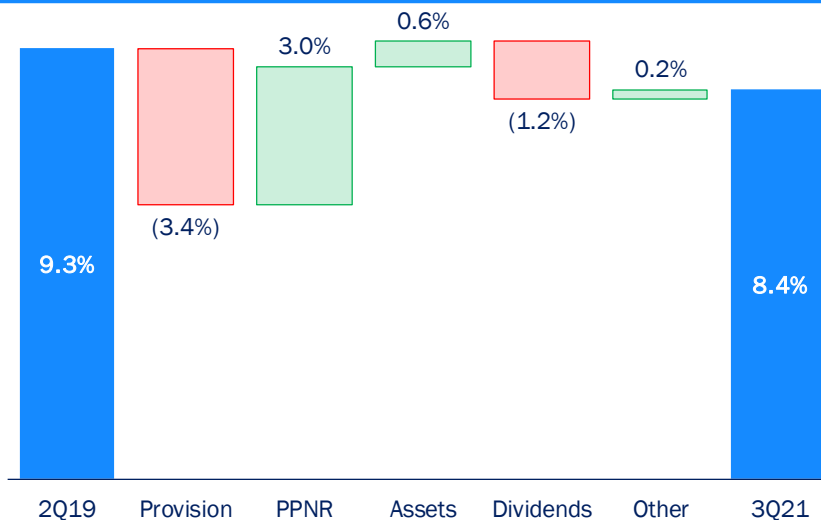
### Key Ratios



### Capital



### Drivers of Change in CET1



<sup>1</sup>All references to peer stress testing data represent the aggregate 2019 supervisory Dodd-Frank Act Stress Testing ("DFAST") results of 18 participating firms. Source: Federal Reserve

<sup>2</sup>Also assumes maintenance of all preferred dividends.

Note: Results do not include consideration of capital simplification rules that go into effect in 2020 or the impact of CECL.

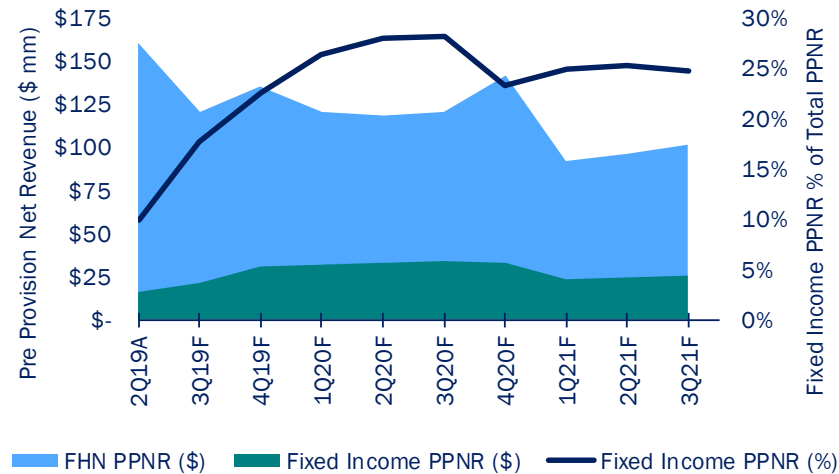
# Stress Testing

FHN has the ability to manage through severely adverse economic conditions

## Stress Test<sup>1</sup> based on 2019 DFAST Severe Scenario

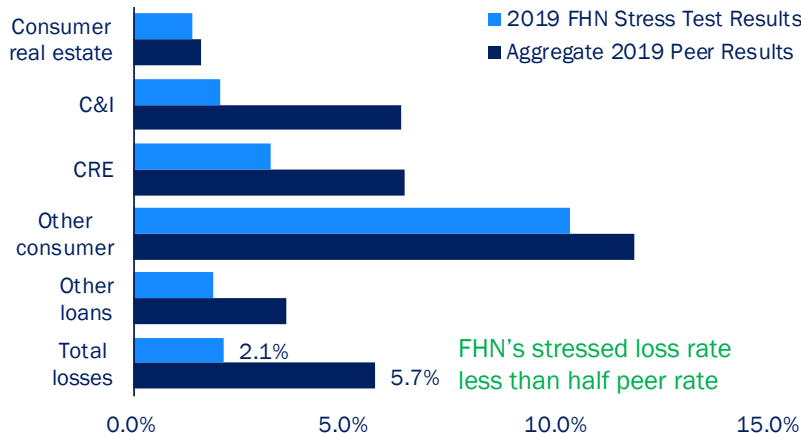
- Severe global recession with heightened stress in commercial real estate and corporate debt markets
  - Real GDP down 8%
  - Unemployment up to 10%
  - 3-mo Treasury bills near zero
- Asset prices drop sharply
  - House prices down 25%
  - CRE prices down 35%
  - Equity prices fall 50%, surge in market volatility

## Fixed Income Countercyclical Contribution



Average Daily Revenue up to \$1.5mm; average \$1.3mm

## FHN stressed loan loss rate less than peers for most portfolios and in aggregate



- 9 quarter cumulative losses of \$599mm; additional pre-tax loss capacity of ~\$1.7B to 4.5% CET1 regulatory requirement
- FHN's portfolio mix results in lower losses
  - Loans to mortgage companies have relatively low loss rates and represent ~11% of average loans
  - Credit card portfolio is <1% of average loans



<sup>1</sup>FHN's 2019 stress test is based off the 2019 DFAST Severely Adverse scenario and generally follows prescribed DFAST methodology. The test is as of 2Q19 and covers 9 quarters (3Q19 through 3Q21).