



Stress Test Results

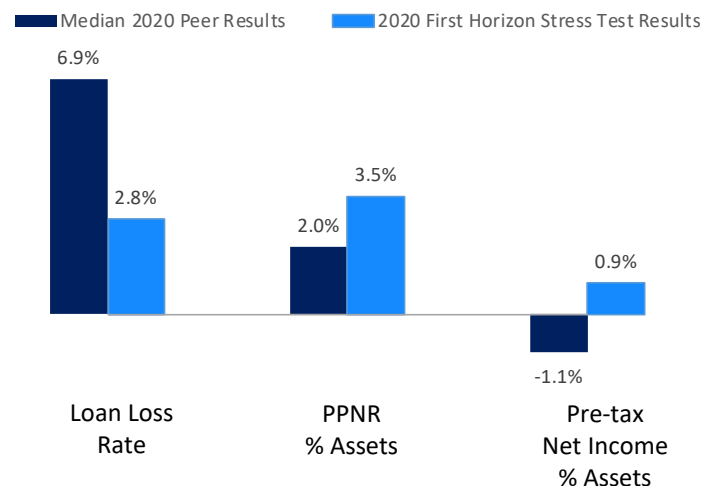
December 2020

Stress Testing

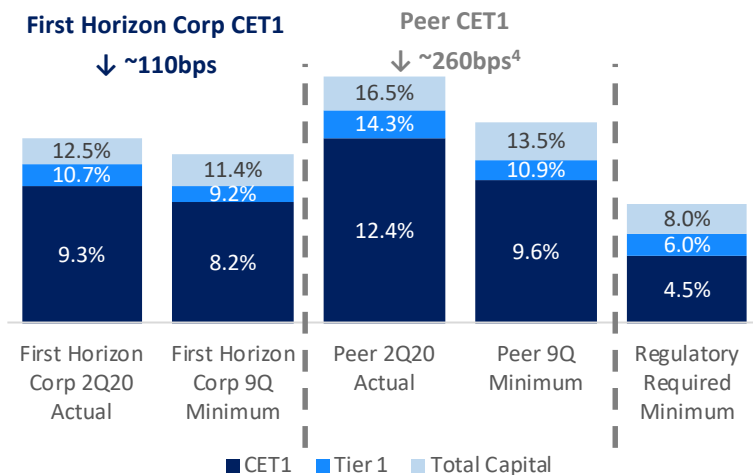
Company-run stress test demonstrates ability to navigate the Fed CCAR Severely Adverse Scenario while maintaining capital well above regulatory minimums

- Minimum CET1 of 8.2%
- Additional loss & idiosyncratic risk capacity
- Utilizes CECL¹ based models for allowance & losses; drives provision & capital in 3Q20
 - FHN's loss rate is 2.8% vs. 6.9% peer² rate
- Assumes maintenance of \$0.15/share common dividend to First Horizon shareholders³
- FHN Financial enhances earnings in periods of market volatility and contributes 12% of PPNR over the planning horizon

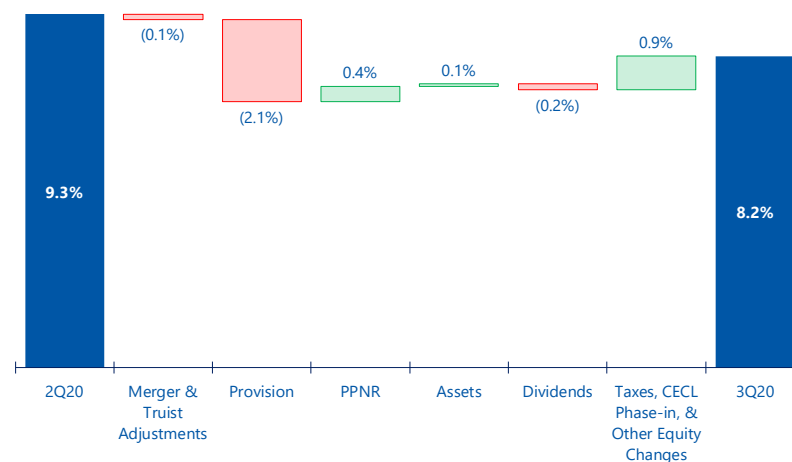
Key Ratios



Capital



Drivers of Change in CET1



Based on Fed Comprehensive Capital Analysis and Review (CCAR) Severely Adverse scenario released September 17, 2020 using a flat (static) balance sheet over 9 quarter planning horizon from 3Q20 to 3Q22

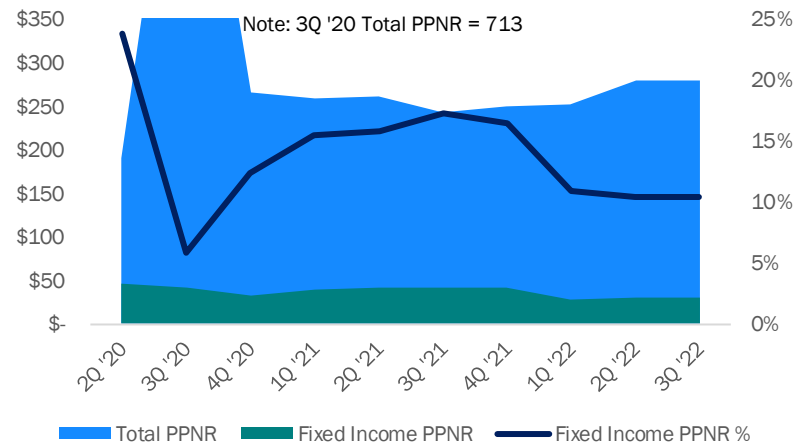
¹Current Expected Credit Loss. Fed methodology sets allowance equal to the next four quarters of forecasted losses. ²References to peer stress testing data represents the median 2H20 CCAR results of 33 participating firms. ³Also assumes maintenance of all preferred dividends. ⁴Median change in peer results may not equal difference from median starting point to median minimum. PPNR = Pre-Provision Net Revenue Source: Federal Reserve

Stress Testing

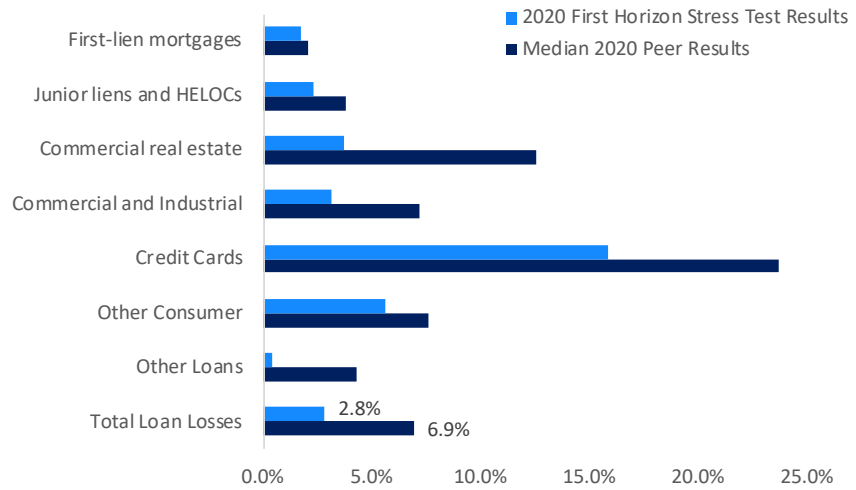
Countercyclical businesses and favorable portfolio mix help First Horizon outperform peers in latest stress test

- Severe global recession with heightened stress in commercial real estate and corporate debt markets
 - Real GDP grows 8.5%
 - Unemployment up to 12.5%
 - Short-term rates near zero
- Asset prices drop sharply
 - House prices down 25.7%
 - CRE prices down 28.5%
 - Equity prices fall 43%, surge in market volatility

Fixed Income Countercyclical Contribution



First Horizon Stressed Loan Loss Rate



- 9 quarter cumulative losses of \$1.5B; additional pre-tax loss capacity of ~\$3.1B to 4.5% CET1 Capital regulatory requirement
- FHN's portfolio mix contributes to lower losses
 - Loans to mortgage companies have relatively low loss rates and represent ~7% of average loans
 - Credit card portfolio is <0.5% of average loans