



2023 Company-Run Stress Test Results

September 2023

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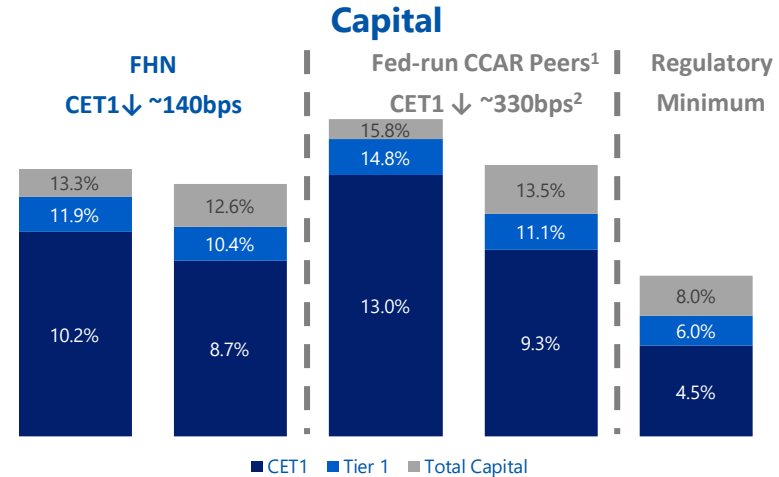
Company-run stress test results demonstrate strong ability to navigate the Fed CCAR Severely Adverse Scenario while maintaining capital levels well above regulatory minimums

Federal Reserve CCAR Severely Adverse Scenario

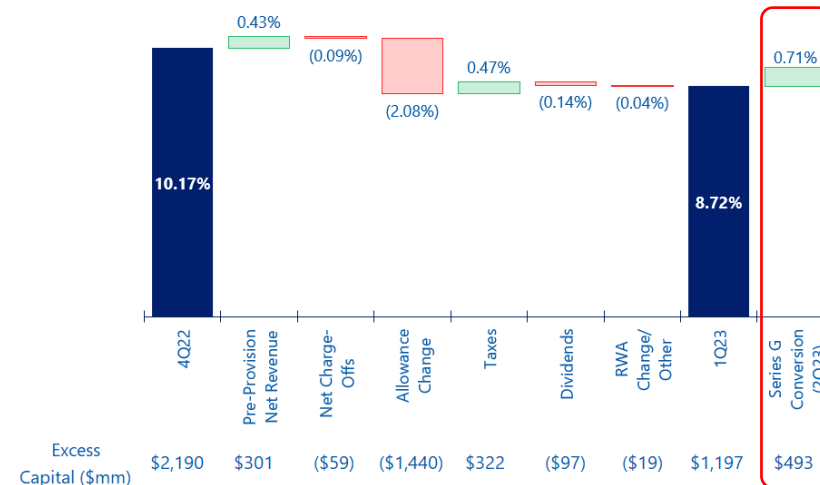
- Severe global recession with heightened stress in commercial real estate (CRE) and corporate debt markets. Continuation of remote work amplifies CRE price declines and impacts the corporate sector and investor sentiment.
 - Real GDP contracts 8.7%
 - Unemployment increases to 10%
 - House prices fall 38%
 - CRE prices fall 40%
 - Equity prices down 45%

Results and Key Assumptions

- Minimum CET1 of 8.7% exceeded regulatory-required minimum by 420 bps
 - CET1 declined ~140bps vs. Fed-run CCAR peer median of ~330 bps
 - Does not include impact of \$493mm of Series G Preferred Stock conversion to common
- Maintain \$0.15/share quarterly common dividend
- CECL³ methodology for allowance & losses drove largest provision & capital impacts in 1Q23



Drivers of Change in CET1

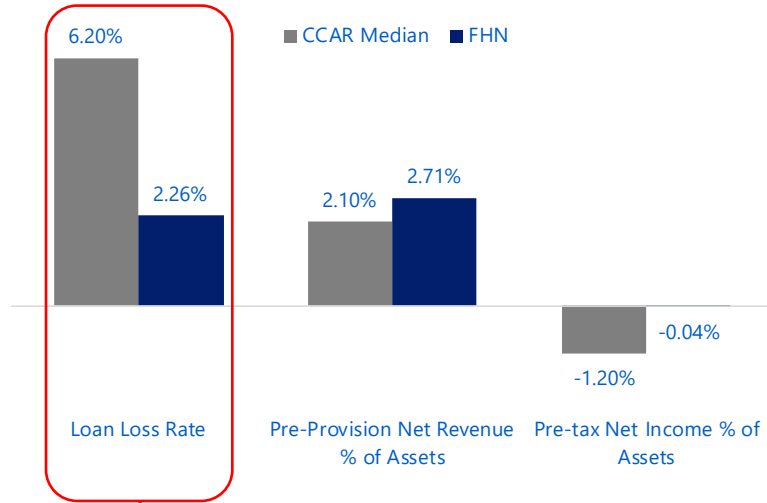


Based on Fed Comprehensive Capital Analysis and Review (CCAR) Severely Adverse scenario released February 9, 2023 using a flat (static) balance sheet over 9 quarter planning horizon from 1Q23 to 1Q25. ¹References to peer stress testing data represent the median 2023 CCAR results of 23 participating firms. ²Median change in peer results may not equal difference from median starting point to median minimum. ³Company run results utilized Current Expected Credit Loss methodology vs. Fed methodology that set allowance equal to the next four quarters of forecasted losses.

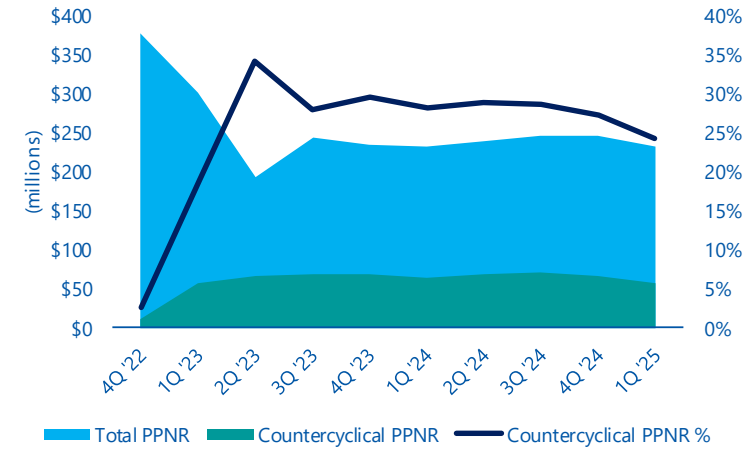
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Countercyclical businesses help First Horizon outperform peers in latest stress test

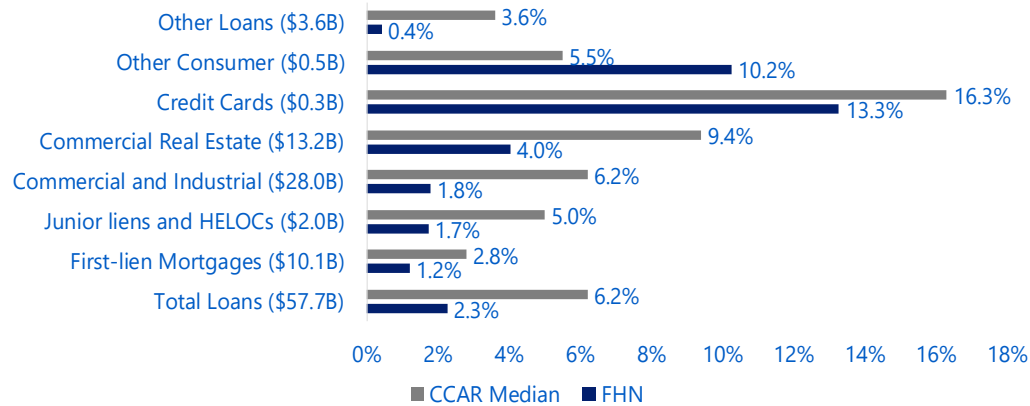
Key Stress Test Ratios¹



Countercyclical² Contribution



Overall Portfolio Loss Rates Lower than CCAR Median



- ~\$4.0B pre-tax loss absorbing capacity over 4.5% CET1 regulatory requirement after 9-quarter cumulative losses of \$1.3B
- 2.3% total loan loss rate vs. CCAR-peer median of 6.2%
- ~4% of average loans represented by loans to mortgage companies which are included in other loans
- Limited exposure to higher risk CRE (i.e. office, hospitality), Credit Cards and Other Consumer



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¹References to peer stress testing data represent the median 2023 CCAR results of 23 participating firms. ²Countercyclical businesses are FHN Financial, Mortgage Warehouse Lending, and Mortgage