

Dear Fellow Shareholders:

The year 2020 will never be forgotten.

The extraordinary impact of the COVID-19 pandemic changed our lives our company, and the entire world around us. We feared for the health and safety of our families and friends, faced an unprecedented economic crisis, operated under the strain of social unrest and political conflict, and were confronted with natural disasters, including one of the busiest hurricane seasons in recent history.

Throughout this unprecedented year, our core values never wavered. I am incredibly proud and grateful for the heroic efforts of our teams across the organization. Our associates rose to the occasion across a rapidly shifting landscape to ensure that we could safely and effectively continue to serve clients and communities and support the brave efforts of front-line workers and colleagues—all while demonstrating strong resilience, a commitment to excellence, and sound risk management.

Amid all of this, on July 1, 2020, we completed our merger of equals with IBERIABANK Corporation (“IBKC merger”) followed by the acquisition of 30 Truist branches, transforming our company into a southern banking powerhouse and nearly doubling the size of our balance sheet. With a highly attractive footprint, expanded product and service set, and increased diversification, we believe we are well positioned to deliver enhanced shareholder returns.

Our team achieved transformational milestones in 2020 with incredible resilience and continued to drive progress across a variety of key performance indicators. We delivered net income available to common stockholders of \$822 million, or EPS of \$1.89, up from \$435 million, or EPS of \$1.38, in 2019 driven by the impact of the IBKC merger. Our results included a net \$294 million after-tax benefit, or \$0.68 per share from notable items largely related to the IBKC merger and Truist branch acquisition. On an adjusted basis, excluding notable items, net income available to common stockholders of \$528 million was up modestly from 2019 largely reflecting the impact of the COVID-19 pandemic and the related increase in provision expense.*

The pandemic-related impact to our financial results was exacerbated by the adoption of the new current expected credit loss accounting standard which drove significantly higher provision expense for us and the industry. But our strong commitment to prudent risk management is serving us well, and our net charge-off rates remained significantly below peers. We feel well positioned to deliver strong relative performance in the future.

Despite the relatively challenging environment, we delivered solid pre-provision net revenue of \$1.4 billion, and \$1.1 billion before the impact of notable items largely driven by the IBKC merger. This environment allowed us to prove out the benefit of our countercyclical businesses—Fixed Income, Mortgage Banking and Mortgage Warehouse Lending—which helped mitigate the headwinds of the low-rate environment and significant economic deterioration tied to the pandemic. As a result, our revenue growth,



normalized for the impact of the merger, was nearly two percentage points higher than peers. In this environment, our commitment to strong expense discipline is further bolstered by the opportunity to capture merger-related expense efficiencies. Our efforts here are well underway and, by year end 2020, we had delivered \$56 million of annualized net merger cost saves.*

COVID-19 Pandemic

At the onset of the COVID-19 pandemic, our first concern was the health and wellbeing of our associates, clients, and communities. We proactively sought advice from healthcare professionals and worked with our communities to adapt to new realities. We moved quickly to ensure that front-line associates could serve clients in the safest way possible and that the vast majority of our associates could work remotely.

When our economy came to a halt, supporting clients and communities was also of highest priority. The tireless effort of our associates was a bright light at a dark time, particularly as they balanced major changes at work and at home. We moved quickly to assist individuals and businesses impacted by the shutdown, offering payment deferrals and waiving deposit-related fees, including overdraft and early withdrawal fees. We processed \$4.2 billion of Paycheck Protection Program (PPP) loans in the first round, supporting more than 500,000 employees of clients. In line with our unwavering commitment to care for our communities, we committed \$15 million of fees associated with our PPP loan portfolio to assist low- and moderate-income communities. In addition, the First Horizon Foundation donated \$2.5 million to COVID-19 emergency relief efforts to provide meal, educational, and emergency assistance throughout our footprint.

To provide some relief to associates during this challenging time, we offered additional paid sick leave, covered backup dependent care expense, enabled associates to roll over unused vacation time into 2021, and announced a one-time bonus to associates making less than \$75,000 annually.

The COVID-19 pandemic will have a lasting impact on our clients, communities, and business. Many of these lessons will continue to unfold as we return to normal—a new normal. We will likely all work and play differently in the future. Adoption of new technology will accelerate at an even faster pace. There will be a deeper appreciation for human connectedness, and based on our individual experiences with the pandemic, now more than ever, we better understand the unique challenges required to juggle the demands of work and everyday life.

MERGER OF EQUALS

Our merger of equals with IBERIABANK has been transformative. Announced in November of 2019, little did we know at the time that our theme: “Proven. Focused. Better Together.” would resonate so strongly with the combined team and the world around us. Despite so many unique obstacles, relationships were quickly forged, and priorities aligned, and as a result, our shared vision and common cultures now provide a strong foundation for tremendous progress.

Execution is job one—integrating systems across the platform with completion slated for the fall of 2021, achieving our cost saves, and continuing to retain and expand our client base by delivering an exceptional customer experience.

RESILIENT BUSINESS MODEL

Despite the unexpected challenges throughout the year, following the close of the merger, we quickly developed a laser-like focus on establishing company-wide priorities for the future. Our three-year strategic plan is designed to capitalize on the opportunities of our expanded footprint and enhanced product and service set, and positions us well to continue to meet the changing needs of our clients and the world around us. Merger benefits include:

- Now located in 15 of the top largest 20 Southern markets in 12 states, we are competitively positioned in demographically attractive markets that are among the fastest growing economies in the country. We believe our footprint gives us the ability to produce higher growth near term and longer term, and we are well positioned to capitalize on tremendous opportunity when the pandemic-related slowdown ends.



- The merger provides us enhanced scale with the competitive advantage of a stronger balance sheet and the ability to leverage investments to drive growth across a broader base of existing and potential clients to help generate a higher return on our investments.
- We are already seeing nice early cross-sell progress across our Regional and Specialty banking platforms as the teams work to capitalize on opportunities to deliver and build out additional revenue streams and serve a greater portion of clients' banking needs.

In the face of an already rapidly evolving landscape, the pandemic has further accelerated the focus on digital capabilities and a heightened need to disrupt and create new revenue streams to remain relevant. Importantly, given this evolution we are intensely focused on capturing expense efficiencies, and at year end, we increased our targeted net merger cost saves from the original \$170 million to \$200 million of annualized savings, which we expect to capture by the first half of 2022. This further increases our ability to more efficiently invest in advanced technologies and innovation to meet our clients' evolving needs and create a competitive advantage in a dynamic market environment.

Following the merger, our balance sheet is more diversified, and our solid capital position provides substantial advantages, particularly as it relates to the current operating environment. With approximately 45% of our loan portfolio marked through purchase accounting and significant reserves, at year end we had substantial loss absorption capacity which totaled 2.2% of total loans. This capacity, combined with a strong commitment to prudent risk management, makes us highly confident that we are well positioned to maintain strong credit quality performance on a relative basis.

Considering this strong balance sheet and capital position, in January of 2021, our board of directors approved a new \$500 million common stock repurchase program. As it relates to capital deployment, our priority is to make investments to drive organic growth, but we will also balance this with cash dividends and opportunistic share repurchases to help drive shareholder returns.

HERE FOR GOOD

As a newly combined company, we created new statements of Purpose, Promise, and Principles that reflect our core values and operating philosophies. Each and every day, we strive to create a great place for associates to work, build stronger communities, and positively contribute to society overall. Despite the challenges of the pandemic, we remain focused on investing in, and providing service and leadership to, our communities directly as well as through non-profit and civic partnerships.

To further address racial injustice and inequality, our newly created human rights statement calls on policymakers to make just decisions and reaffirms our commitment to cultivating an environment where everyone is treated with dignity. In October, we proudly named a new Chief Diversity, Equity, and Inclusion Officer, to support our efforts to nurture an environment which embraces unique talents and identities, different perspectives, and creates opportunities for our associates to be developed, affirmed, and heard. We are deeply committed to identifying, developing, and promoting leaders at every level of our company who are increasingly reflective of and responsive to the rich diversity of the clients and communities we serve.

In 2020, we conducted the company's first proactive corporate governance outreach effort and benefitted from shareholder perspectives on a variety of environmental, social, and governance (ESG) topics. While we feel we have made good progress thus far, we understand that there is always more we can do. We are committed to continuing to identify opportunities to advance our ESG efforts with a particular emphasis on climate-related risks and opportunities. I look forward to sharing more about our commitment to ESG priorities in our 2020 Annual Review and Corporate Social Responsibility report, which we plan to publish in mid-2021.

LOOKING AHEAD

I am confident our experienced team will continue to execute on our strategic goals and successfully integrate our companies to deliver profitable growth and long-term shareholder value. We are continuously refining our business model to adapt to operating conditions and remain competitive in our rapidly



changing industry. We are results-oriented and well positioned to meet the evolving needs of our clients. We are proud of our long history of success and our ability to navigate a very difficult year but recognize that our work is never done.

It is important to remember the many lives lost in 2020 and recognize the heroes that carried us through the year—the healthcare community and the countless essential workers, including our own banking center associates who never missed a beat being front and center for our clients. Our success at First Horizon belongs to the nearly 8,500 associates who pulled together this year in ways that only a family can do to care for our clients, our communities, and each other. They exceeded my expectations and demonstrated unwavering commitment to our company and to you, our shareholders.

Thank you to our directors for their guidance and foresight and to our executive management committee for their incredible leadership, particularly during this time of extraordinary change. And we thank you, our shareholders, for your continued trust, confidence, and investment in our company. We truly are Better Together.

Sincerely,



D. Bryan Jordan
President and Chief Executive Officer

March 15, 2021

**Adjusted net income available to common stockholders excluding notable items, pre-provision net revenue ("PPNR") and revenue growth normalized for the impact of the merger are Non-GAAP Financial Measures. 2020 revenue growth normalized for the impact of the IBKC Merger of 4.5% represents (FY20 FHN revenue of \$3.2 billion plus 1H20 Legacy IBKC revenue of \$609 million) minus \$533 million bargain purchase gain and \$5 million of Legacy IBKC notable items compared with FHN/IBKC Combined 2019 revenue of \$3.1 billion which represents FHN 2019 revenue of \$1.9 billion plus Legacy IBKC 2019 revenue of \$1.2 billion. FHN 2020 GAAP revenue of \$3.2 billion increased 69% from \$1.9 billion in 2019. 2020 peer median revenue growth of 2.6%. Peers include BPOP, CFG, CIT, CMA, EWBC, FITB, FRC, HBAN, KEY, MTB, PBCT, RF, SBNY, SIVB, SNV, TCF, and ZION. Please see page 24 of our 4Q20 earnings release for additional information on our use of Non-GAAP measures and a reconciliation of Adjusted net income available to common stockholders excluding notable items and pre-provision net revenue ("PPNR") to GAAP: <https://ir.fhnc.com/investor-relations/news-and-events/events-and-presentations>.*

Purpose. Promise. Principles.

Purpose

First Horizon is a relationship-driven leading provider of financial solutions

Promise

To strengthen the lives of our associates, clients, and communities

Principles

Great Place to Work – offer a collaborative and inclusive workplace that promotes employee development, performance, and success

Build Strong Relationships – exceed clients' expectations by understanding their unique needs

Deliver Results – consistently deliver shareholder value

Give Back – invest in strategic partnerships to build strong communities

Fortitude – lead with integrity, accountability, agility, resilience, and compassion