

Letter to Shareholders

Dear Fellow Shareholders,

2024 was a milestone year for our company. We proudly celebrated our 160th year in business, honoring our predecessors, associates, clients, partners, communities and shareholders, all of whom have contributed to making First Horizon the highly regarded financial institution it is today.

At First Horizon, our value is created through a focus on three clear principles – safety and soundness, profitability and growth – in that order. We execute on these priorities by operating in an attractive footprint with a distinctive business model that performs across economic cycles. We believe that delivering on these priorities positions us to achieve a 15% or higher return on tangible common equity* in the coming years.

A foundation of safety and soundness.

Our safety and soundness principle shows up in our disciplined underwriting. In 2024, our net charge off rate was 18 basis points for the year (including only 8 basis points of net charge offs in the fourth quarter). Our performance last year reflects the same credit culture we have seen across multiple years and the same standards that take us into 2025. We also focus on maintaining prudent capital levels and a secure source of funding. At year-end 2024, our CET1 ratio was 11.2% even with \$933 million in share repurchases and common dividends in the year.

With the expectation of crossing \$100 billion in total assets in the coming years, we are investing now to prepare for the regulatory requirements and expectations that come with being a Large Financial Institution. Many of those investments will greatly help our business. For example, efforts to further develop our use of data across the organization should help us identify value creation opportunities. Finally, we remain focused on the criticality of cybersecurity and continuously invest in talent and technology to protect our company and clients.

Businesses that create sustainable profit.

In 2024, our net income available to common shareholders of \$738 million, which created earnings per share of \$1.36 (this includes \$0.19 of after tax per share notable items'), reflected a strong net interest margin of 3.35% that was achieved across a volatile interest rate environment. Particularly notable was our two-basis point expansion of net interest margin in the fourth quarter, which occurred amidst a one hundred basis point reduction in the Fed Funds rate that began in the third quarter. Moreover, our counter cyclical business model, which includes our fixed income business, FHN Financial, along with our mortgage warehouse and mortgage banking businesses, supported our revenue through the decreasing



D. Bryan Jordan

Chairman of the Board, President
and Chief Executive Officer

interest rate environment in the second half of 2024. This business diversification sets First Horizon apart. As macroeconomic inputs change, our revenue drivers naturally adapt and reduce earnings volatility.

We also remain disciplined with expense management and operational excellence. Our Strategic Investment Board (“SIB”) reviews and approves projects to ensure alignment with our company priorities and maintains a focus on returns on investment for these initiatives. We continue to develop and deliver automation capabilities that leverage artificial intelligence (“AI”), robotic process automation (“RPA”) and other digital integrations leveraging our cloud environment to enhance the speed, accuracy and scalability of our processes. We also actively invest in fraud prevention to prevent losses and enhance our client experience.

I am also proud of the continued process improvements we have made across the organization. Through a cross functional team and formalized process, our Quality Council, which consists of front-line bankers, shares ideas for process, technology and product improvements to enhance the banker and client experiences and improve productivity. More than 300 initiatives identified in this process were completed in 2024.

A growth engine for the future.

The Southeast United States is the epicenter of the country’s population and economic growth resulting in significant value creation through First Horizon’s geographic footprint. Our banking center footprint includes 10 of the top 25 fastest growing metro areas by GDP in the U.S. This attractive footprint allowed us to grow our average loan balances by 3% and average deposit balances by 2% in 2024. We continue to add client-facing talent across our markets to further capture future growth opportunities.

As we move from the merger activities and technology infrastructure uplifts of the last three years, our ongoing investments provide unique tailwinds for First Horizon’s growth in 2025. We see opportunities in treasury management services as our core middle market clients benefit from the commercial online banking solution implemented in late 2024. Our private client and wealth management clients will see value from enhanced product capabilities that will be completed in the coming months. We are also making new investments in our retail footprint and digital capabilities that will support growth in this segment for the long term.

Ultimately, these growth opportunities and our focus on profitability will continue to deliver value to our shareholders. In 2024, our business model created 6% growth in tangible book value per share*, to \$12.85.

Each of our stakeholders – our shareholders, associates, clients and communities – represent a key ingredient in our ability to deliver sustainable shareholder value.

Our dedicated and resilient team is essential to our success and serves as a key competitive advantage. By continuously adapting to the evolving needs and expectations of our associates, we ensure that we attract and retain top talent while fostering a highly engaged, performance-driven workforce. We prioritize open communication and actively seek feedback to cultivate a collaborative culture, empowering each individual to thrive both professionally and personally.

Supporting the long-term economic and social health of our communities is fundamentally embedded in the mission of our organization. We are dedicated to providing access to vital resources for all members of our communities. During the past year, a number of our communities were devastated by natural disasters. I am proud of the way in which our team responded, providing immediate and long-term support to affected associates, clients and communities, truly embodying our pledge to be “Here for Good” for our stakeholders.

In recognition of our 160th anniversary, we initiated a special Grants for Good Campaign through the First Horizon Foundation. We awarded \$1.6 million to 160 nonprofit organizations and distributed 1,600 Random Acts of Kindness gift cards across our footprint. First Horizon foundations invested approximately \$20 million during the year, with 51% dedicated to low- and moderate-income communities.

I am honored to work alongside a highly committed, talented Board of Directors whose insights and expertise play a pivotal role in steering our strategic direction and fostering our success. In January of this year, we welcomed Jeffery J. Brown to our Board of Directors. I am confident that his extensive leadership and banking experience will be invaluable in guiding our company forward. We also recently announced the upcoming retirements of directors Harry V. Barton and Rosa Sugrañes and thank them for their dedication, insights and many years of service to First Horizon and its predecessors.

Our enduring success over the past 160 years is attributed to the loyalty of our clients, who place their trust in us to help meet their financial needs and realize their dreams and aspirations.

As we begin another year, we recognize the importance of delivering superior long-term returns to our shareholders. It is rewarding to see movement in our stock price, outperforming the BKX by 948 basis points and S&P by 1,892 basis points during the year. Our investments and achievements in 2024 lay the groundwork for us to continue to capitalize on client growth opportunities across our region and in our diversified businesses, while prudently managing capital and risk.

I remain confident in our position of strength in the dynamic operating landscape ahead and thank you, our shareholders, for your steadfast confidence in our ability to deliver exceptional value and for being a part of our continued journey as we build on our legacy of success.

Sincerely,



D. Bryan Jordan

Chairman of the Board, President and
Chief Executive Officer

March 17, 2025



our purpose

Help our clients unlock their full potential with capital and counsel.



our values

- Puts clients first
- Cares about people
- Commits to excellence in everything we do
- Expands access
- Fosters team success



our action

Own*the***Moment**

listen | understand | deliver

***Use of Non-GAAP Measures**

Certain measures included in this letter are “non-GAAP,” meaning they are not presented in accordance with generally accepted accounting principles in the U.S. and also are not codified in U.S. banking regulations currently applicable to FHN. FHN’s management believes such measures even though not always comparable to non-GAAP measures used by other financial institutions, are relevant to understanding the financial condition, capital position, and financial results of FHN and its business segments. The non-GAAP measures presented in this letter are tangible common equity and tangible book value per share and are reconciled to the most comparable GAAP presentation near the end of Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024.

***Notable Items**

2024 pre-tax notable items include a \$91 million loss on an opportunistic restructuring of a portion of the securities portfolio, a \$9 million FDIC special assessment, \$14 million of restructuring expenses, and \$15 million of expense tied to derivative valuation adjustments related to prior Visa Class-B share sales. Additionally, 2024 includes \$7 million of deemed dividends on the redemption of \$100 million par value of Series D Preferred stock.

Diluted shares in 2024 were 544 million, resulting in a reduction of \$0.19 per share impact of notable items in 2024.

Forward-Looking Statements

This letter contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to FHN’s beliefs, plans, goals, expectations, and estimates. Forward-looking statements are not a representation of historical information, but instead pertain to future operations, strategies, financial results, or other developments. Forward looking statements often use words such as “believe,” “expect,” “anticipate,” “intend,” “estimate,” “should,” “is likely,” “will,” “going forward,” and other similar expressions that indicate future events and trends. Forward-looking statements are necessarily based upon estimates and assumptions that are inherently subject to significant business, operational, economic, and competitive uncertainties and contingencies, many of which are beyond FHN’s control, and many of which, with respect to future business decisions and actions (including acquisitions and divestitures), are subject to change and could cause FHN’s actual future results and outcomes to differ materially from those contemplated or implied by forward-looking statements or historical performance. While there is no assurance that any list of uncertainties and contingencies is complete, examples of factors which could cause actual results to differ from those contemplated by forward-looking statements or historical performance include those mentioned: in this letter; in the forepart, and in Items 1, 1A, and 7, of FHN’s most recent Annual Report on Form 10-K; and in the forepart, and in Item 1A of Part II, of FHN’s Quarterly Report(s) on Form 10-Q filed after that Annual Report. Any forward-looking statements made by or on behalf of FHN speak only as of the date they are made, and FHN assumes no obligation to update or revise any forward-looking statements that are made in this letter or in any other statement, release, report, or filing from time to time. Actual results could differ and expectations could change, possibly materially, because of one or more factors, including those factors listed in this document or the documents mentioned above, and other factors not listed.