Letter to Shareholders

Dear Fellow Shareholders,

Our 2025 results reflect a year of disciplined execution for First Horizon. Our ability to improve profitability, deepen client relationships and deliver banking solutions for our clients drove our strong performance. Fueled by our dynamic markets and specialty businesses, we delivered earnings per share ("EPS") of $1.87 (this includes $0.02 of after tax per share notable items[1]).

I am incredibly proud of our progress over the last few years. Through our people-led, technology-enabled approach, our talented team has transformed the way we work and serve our clients. Through our journey of continuous improvement, we have upgraded systems, improved end-to-end processes and advanced our products and services to create best-in-class client experiences. We continue to attract top talent to broaden our expertise and invest in the capabilities that matter most to our clients.

During 2025, we focused on clarifying our differentiators and creating a unified approach to success across our entire associate base. We distilled our strategy into a concise, intentional framework and trained our entire company on what, to whom and how we deliver the First Horizon experience to our clients while generating meaningful returns for our shareholders.

D. Bryan Jordan

Chairman of the Board, President and Chief Executive Officer

Our client-centric, diversified business model remains a true differentiator and competitive advantage. We know our clients, understand their needs and have a proven record of consistently providing capital and counsel through all economic conditions. First Horizon operates in seven of the top 10 U.S. Growth Metros, and the Southeast United States continues to provide tremendous opportunities as the country's leading region for population and economic growth. Our counter-cyclical businesses provided key contributions during the year and continue to play an important role in reducing earnings volatility across economic cycles.

Our 2025 financial performance resulted in 29% growth in our net income available to common shareholders ("NIAC"), and we achieved 14.0% return on tangible common equity ("ROTCE") or 14.2% adjusted ROTCE, with 15% adjusted ROTCE in the second half of the year.* These outcomes reflect successful performance across multiple measures of our business, including the following:

- Year-over-year NIM expansion of 12 basis points as deposit repricing offset lower loan yields
- Period end loan and deposit growth of 3% compared to year-end 2024
- Deployed more than $1.2 billion of excess capital, buying back $894 million in stock across 42 million shares at a weighted average price of $21.16 per share and paying out $307 million in dividends - ending the year with 10.6% CET1

Beyond our financial results, we measure success by the impact we make in the communities we serve. As of January 2026, the First Horizon Foundation has invested $200 million across our footprint since inception. But our giving is about more than funding; it's a reflection of our values and the countless hours our associates commit to be "Here for Good" for every single place we call home.

We enter 2026 with clear objectives: delivering profitability, efficiency and operational excellence through disciplined execution of our strategic priorities. By leveraging our banker expertise to match clients with the right solutions, aligning pricing with the value we deliver and maximizing the value of our footprint with our talent and distribution models, we believe we can unlock more than $100 million of revenue driven incremental pre-provision net revenue ("PPNR") over the next two to three years.*

We will maintain prudent expense discipline while continuing to invest strategically in technology, talent and growth with a strong risk and credit culture that protects our clients and our shareholders and positions us to deliver sustainable long-term results.

In an ever-changing world, we continuously evaluate the risks and unique opportunities across our industry.

In 2025, private credit was a theme as both an indirect competitor and a potential risk to our industry. Since private credit operates outside of the bank regulatory framework, it is sometimes more flexible in pricing, terms and structure relative to bank lending. As such, we continued to see a subset of borrowers seeking more aggressive capital migrate to the more transactional private credit market last year. We continue to assess the impact of private credit on both pricing and structure in our markets, but our focus has above all remained on disciplined relationship lending. We continue to achieve this by understanding the risks associated with individual clients as well as the specific industries and geographies they operate in. Remaining focused on our relationship-first, long-term value proposition is critical to our strategy in responding to this competition.

Cryptocurrencies, stablecoins and blockchain-based money movement continue to emerge as capabilities needed for the future and potential threats to the traditional banking business model. With the rising importance of these technologies, we have embarked on an effort with several peer institutions, industry leaders and technical experts to develop a bank-led stablecoin offering that ensures the needs of our clients are at the forefront of these products and services with an appropriate risk infrastructure. While these evolving products enhance capabilities for our clients, they also are likely to significantly change the business of deposit taking potentially leading to elevated deposit competition and reduced credit availability across the industry. We will continue to work across our industry and with regulators and legislators to help ensure the critical economic value of banking is fully understood and considered.

In addition to stablecoins and cryptocurrencies, increased competition for deposits is another defining risk for banking. Changes to the Federal Reserve's balance sheet through quantitative tightening ultimately reduce the supply of deposits. Furthermore, a growing economy – especially like the strong economy we see in the Southeast – creates loan demand that must be supported by lendable deposits. As banks compete to gain these critical resources and as near instantaneous money movement capabilities are almost ubiquitous, the cost of acquiring and keeping deposits increases. One of our most important priorities is to maintain deep client relationships that are built on primary deposit and operating accounts which are the most dependable and essential sources of funds. Our relationship-centered service model led by bankers who understand our consumer and commercial clients' needs positions First Horizon to compete effectively now and for the long term.

As we manage these risks and take advantage of opportunities to differentiate and grow, we continue to make targeted investments in our technological capabilities. In 2025, we transitioned from our self-described "Run the Bank" initiatives of 2023 and 2024 to transformational "Change the Bank" projects. Our agile teams worked throughout the year to migrate our applications to the cloud, enhance our data and analytics capabilities, deliver new fraud monitoring and protection tools, expand artificial intelligence usage across our company, transition to a leading wealth management platform and develop our upcoming new consumer and small business digital banking platform. We remain committed to disciplined investments that enhance our client experience and enable our bankers to focus their time and attention on delivering the capital and counsel that differentiate First Horizon.

Like many, we are energized by the possibilities of artificial intelligence ("AI"). We believe these tools will help us work smarter, decide faster and create better client experiences. An important part of our preparation is an AI-trained workforce ready to explore ways to thoughtfully embed AI across end-to-end processes with the same care for security, responsibility and the high-quality experiences that define our company.

Thank you to our incredible associates who have powered our progress. From the front-line bankers understanding and meeting the needs of our clients to the operational teams providing consistent, responsive support, the dedication and determination of our entire team are evident in all that we do.

I am grateful for our Board of Directors which continues to guide our company with experience, insight and integrity. In August 2025, Michael Moehn, Group President, Ameren Utilities of Ameren Corporation, joined the First Horizon Board of Directors. In October, Sital Mody also joined our Board. Sital serves as President of the National Gas Pipelines Group and Vice President of Kinder Morgan, Inc. Both gentlemen bring visionary leadership and tremendous depth of expertise in their respective fields. We value their support and perspectives as we continue to capitalize on our strong business momentum and execute on our strategic priorities.

In April of this year, two long-standing, distinguished directors will end their service on our board.

Lead Director Colin Reed, who has served on the Board since 2006, has been a steadfast partner and a powerful voice for our associates, clients and shareholders. He leads with purpose and a focus on accountability. Colin has championed disciplined growth and a culture of performance, leaving a lasting imprint on our organization. Gene Taylor joined the Board in 2017, bringing deep financial services expertise and a mindset that sharpened our focus and elevated our execution. His perspective has helped enhance our operational rigor while providing immeasurable support as we have navigated challenges and pursued opportunities. We are thankful for their years of service, wisdom and friendship.

Thank you to our clients for their trust and partnerships, and to you, our shareholders, for your continued confidence in First Horizon's vision, mission and future.

Uncertainty is a constant, but so is our confidence in our ability to navigate change. The investments we made and the goals we achieved in 2025 serve as the foundation on which to capitalize on client growth opportunities and deliver long-term value to our shareholders as we look to the future.

Sincerely,

D. Bryan Jordan
Chairman of the Board, President and Chief Executive Officer

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 and Regulatory Measures that are not GAAP**

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. Although other entities may use calculation methods that differ from those used by FHN for non-GAAP measures, FHN's management believes such measures are relevant to understanding the financial condition, capital position, and financial results of FHN and its business segments. Non-GAAP measures are reported to FHN's management and Board of Directors through various internal reports.

The non-GAAP measures presented in this letter are return on tangible common equity ("ROTCE"), adjusted ROTCE and pre-provision net revenue ("PPNR"). ROTCE and adjusted ROTCE are reconciled to the most comparable GAAP presentation below. PPNR is a key financial metric used to measure the bank's core operational profitability before accounting for loan loss provision and is calculated by adding back the provision for loan losses to pre-tax income.

Presentation of regulatory measures, even those which are not GAAP, provides a meaningful basis for comparability to other financial institutions subject to the same regulations as FHN, as demonstrated by their use by banking regulators in reviewing capital adequacy of financial institutions. Although not GAAP terms, these regulatory measures are not considered "non-GAAP" under U.S. financial reporting rules as long as their presentation conforms to regulatory standards. The regulatory measure presented in this letter is common equity tier 1 capital ("CET1"), generally defined as common equity less goodwill, other intangibles, and certain other required regulatory deductions.

[1]Notable Items

2025 pre-tax notable items include $9 million expense credit for the FDIC special assessment, $4 million expense credit related to an accrual release in deferred compensation related to a business unit divested more than a decade ago, and $25 million of expense tied to derivative valuation adjustments related to prior Visa Class-B share sales. Additionally, 2025 includes $3 million of deemed dividends on the redemption of $80 million par value of Series B Preferred stock. Diluted shares in 2025 were 511 million, resulting in a reduction of $0.02 per share impact of notable items in 2025.

2H25 pre-tax notable items include $9 million expense credit for the FDIC special assessment and $20 million of expense tied to derivative valuation adjustments related to prior Visa Class-B share sales.

Return on Average Common Equity ("ROCE")/ Return on Average Tangible Common Equity ("ROTCE")/ Adjusted ROTCE

		2025	**2H25**
NIAC (GAAP)	a	956	1,013
Plus, Tax effected notable items (Non-GAAP) (a)		12	22
Adjusted NIAC (Non-GAAP)	b	968	1,035
Average Common Equity (GAAP)	c	8,459	8,535
Intangible Assets (GAAP) (b)		1,633	1,624
Average Tangible Common Equity (Non-GAAP)	d	6,826	6,911
Equity Adjustment (Non-GAAP)		4	-
Adjusted Average Tangible Common Equity (Non-GAAP)	e	6,830	6,911
ROCE (GAAP)	a/c	11.3%	11.9%
ROTCE (Non-GAAP)	a/d	14.0%	14.7%
Adjusted ROTCE (Non-GAAP)	b/e	14.2%	15.0%

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 document 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 letter or the documents mentioned above, and other factors not listed.