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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

**SCHEDULE 14A**  
**(Rule 14a-101)**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934

Filed by the Registrant ☒Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to §240.14a-12

**CAPITAL BANK FINANCIAL CORP.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:
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  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - (4) Proposed maximum aggregate value of transaction:
  - (5) Total fee paid:
- ☐ Fee paid previously with preliminary materials.
- ☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
- (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:

## PROXY STATEMENT



## PROSPECTUS

**MERGER PROPOSED—YOUR VOTE IS VERY IMPORTANT**

Dear Shareholder:

On May 3, 2017, First Horizon National Corporation (which we refer to as “First Horizon”), and Capital Bank Financial Corp. (which we refer to as “Capital Bank Financial”), entered into an Agreement and Plan of Merger (which we refer to as the “merger agreement”) that provides for the combination of the two companies. Under the merger agreement, a wholly-owned subsidiary of First Horizon will merge with and into Capital Bank Financial, with Capital Bank Financial remaining as the surviving entity and becoming a wholly-owned subsidiary of First Horizon (which we refer to as the “merger”). This surviving entity will, as soon as reasonably practicable following the merger and as part of a single integrated transaction, merge with and into First Horizon (which we refer to as the “second step merger” and, together with the merger, as the “mergers”), with First Horizon as the surviving corporation in the second step merger (which we sometimes refer to in such capacity as the “surviving corporation”). Immediately following the completion of the second step merger or at such later time as First Horizon may determine in its sole discretion, Capital Bank Corporation, a North Carolina state chartered bank and a wholly-owned subsidiary of Capital Bank Financial, will merge with and into First Tennessee Bank National Association, a national bank and subsidiary of First Horizon, with First Tennessee Bank National Association as the surviving bank.

In the merger, each outstanding share of Capital Bank Financial common stock (except for specified shares of Capital Bank Financial common stock held by Capital Bank Financial or First Horizon and shares of Capital Bank Financial common stock held by shareholders who properly exercise dissenters’ rights) will be converted into the right to receive, either

- (i) an amount in cash (which we refer to as the “per share cash consideration”) equal to the sum of (A) \$7.90 plus (B) the product of 1.75 multiplied by the average of the closing sale prices of a share of First Horizon common stock, par value \$0.625 per share (which we refer to as the “First Horizon common stock”), on the New York Stock Exchange (which we refer to as the “NYSE”), for the ten full trading days ending on the day preceding the closing date of the merger (which we refer to as the “First Horizon share closing price”), or
- (ii) the number of shares of First Horizon common stock (which we refer to as the “per share stock consideration”) equal to the quotient (which we refer to as the “exchange ratio”) of (A) the per share cash consideration divided by (B) the First Horizon share closing price,

in each case at the election of the applicable Capital Bank Financial common stockholder, subject to procedures applicable to oversubscription and undersubscription for cash consideration. The merger agreement provides that aggregate amount of cash consideration will equal \$410,535,300 (the “cash component”). Accordingly, the number of shares of Capital Bank Financial common stock that will convert into the right to receive the per share cash consideration will equal the quotient of (i) the cash component divided by (ii) the per share cash consideration.

Based on the closing sale price of a share of First Horizon common stock on the NYSE on July 25, 2017, which was \$18.06, the per share cash consideration would have been \$39.505 and the exchange ratio would have been 2.1874 and accordingly, based on 52,090,197 shares of Capital Bank Financial common stock outstanding, approximately 19.95% of the shares of Capital Bank common stock would have been converted into the right to receive the cash consideration and approximately 80.05% of such shares would have been converted into the right to receive the stock consideration. The aggregate number of shares of First Horizon common stock to be issued as stock consideration would have been 91,210,673 and, accordingly, approximately 28.03% of outstanding First Horizon common stock following the merger would have been held by stockholders that were Capital Bank Financial common stockholders immediately prior to the effectiveness of the merger. In addition to the First Horizon share closing price, an increase or decrease in the number of outstanding shares of Capital Bank Financial common stock prior to the completion of the merger could cause the actual number of shares of First Horizon common stock issued upon completion of the merger to change. **We urge you to obtain current market quotations for First Horizon (trading symbol “FHN”) and Capital Bank Financial (trading symbol “CBF”).**

In connection with the mergers, Capital Bank Financial will hold a special meeting of its holders of shares of Class A voting common stock (which we refer to as the “Capital Bank Financial special meeting”) and First Horizon will hold a special meeting of the holders of its common stock (which we refer to as the “First Horizon special meeting”). Holders of Capital Bank Financial’s Class A voting common stock (which we refer to as “Capital Bank Financial Class A common stockholders”), par value \$0.01 per share (which we refer to as the “Class A common stock”) will be asked to vote to adopt the merger agreement and approve related matters, as described in the attached joint proxy statement/ prospectus. Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Capital Bank Financial’s Class A common stock. First Horizon has entered into agreements with certain stockholders of Capital Bank Financial who beneficially own in the aggregate approximately 16.04% of the Class A common stock outstanding on July 24, 2017, pursuant to which these stockholders agreed to vote all shares of Class A common stock beneficially owned by them in favor of approval of the adoption of the merger agreement. Holders of shares of First Horizon common stock (which we refer to as “First Horizon shareholders”) will be asked to vote to approve the issuance of the shares of First Horizon common stock in connection with the merger. Approval of the issuance of the shares of First Horizon common stock in connection with the merger requires the affirmative vote of a majority of the votes cast at the First Horizon special meeting.

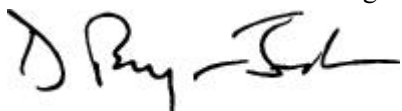
Holders of shares of Capital Bank Financial’s Class B non-voting common stock are not entitled to and are not requested to vote at the Capital Bank Financial special meeting. Holders of First Horizon’s depositary shares (representing a 1/4000th interest in a share of non-cumulative perpetual preferred stock, series A), are not entitled to and are not requested to vote at the First Horizon special meeting.

The Capital Bank Financial special meeting will be held on September 7, 2017 at the DoubleTree Suites by Hilton Hotel, 6300 Morrison Blvd., Charlotte, North Carolina 28211, at 4:00 p.m. local time. The First Horizon special meeting will be held on September 7, 2017 at the M-Level Auditorium, First Tennessee Building, 165 Madison Avenue, Memphis, Tennessee 38103, at 3:00 p.m. local time.

**The Capital Bank Financial board of directors recommends that Capital Bank Financial Class A common stockholders vote “FOR” the adoption of the merger agreement and “FOR” the other matters to be considered at the Capital Bank Financial special meeting.**

**The First Horizon board of directors recommends that First Horizon shareholders vote “FOR” the issuance of shares of First Horizon common stock in connection with the merger.**

The attached joint proxy statement/prospectus describes the Capital Bank Financial special meeting, the First Horizon special meeting, the mergers, the documents related to the mergers, and other related matters. **Please carefully read the entire joint proxy statement/prospectus, including “Risk Factors,” for a discussion of the risks relating to the proposed mergers.** You also can obtain information about First Horizon and Capital Bank Financial from documents that each has filed with the Securities and Exchange Commission.



D. Bryan Jordan  
*Chairman of the Board,*  
*President and Chief Executive Officer*  
First Horizon National Corporation



R. Eugene Taylor  
*Chairman and Chief Executive Officer*  
Capital Bank Financial Corp.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in the mergers or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

**The securities to be issued in the mergers are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either First Horizon or Capital Bank Financial, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

The date of this joint proxy statement/prospectus is July 28, 2017, and it is first being mailed or otherwise delivered to the First Horizon shareholders and Capital Bank Financial common stockholders on or about August 4, 2017.



## NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To the Shareholders of First Horizon National Corporation:

First Horizon National Corporation (which we refer to as “First Horizon”) will hold a special meeting of holders of common stock of First Horizon (which we refer to as “First Horizon shareholders”) on September 7, 2017 at the M-Level Auditorium, First Tennessee Building, 165 Madison Avenue, Memphis, Tennessee 38103, at 3:00 p.m. local time (which we refer to as the “First Horizon special meeting”) to consider and vote upon the following matters:

- a proposal to approve the issuance of shares of First Horizon common stock in connection with the merger contemplated by the Agreement and Plan of Merger, dated as of May 3, 2017, as such agreement may be amended from time to time (which we refer to as the “merger agreement”), by and among First Horizon, Capital Bank Financial Corp. and Firestone Sub, Inc., a copy of which is attached to the enclosed joint proxy statement/prospectus as Annex A (which we refer to as the “First Horizon stock issuance proposal”); and
- a proposal to approve one or more adjournments of the First Horizon special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the First Horizon stock issuance proposal (which we refer to as the “First Horizon adjournment proposal”).

We have fixed the close of business on July 24, 2017 as the record date for the First Horizon special meeting. Only First Horizon shareholders of record at that time are entitled to notice of, and to vote at, the First Horizon special meeting, or any postponement or adjournment of the First Horizon special meeting. Approval of each of the First Horizon stock issuance proposal and the First Horizon adjournment proposal requires the affirmative vote of the holders of at least a majority of the votes cast.

The First Horizon board of directors has approved the merger, the stock issuance and the merger agreement, has determined that the merger agreement and the transactions contemplated thereby, including the merger and the stock issuance, are advisable and in the best interests of First Horizon, and unanimously recommends that First Horizon shareholders vote “FOR” the First Horizon stock issuance proposal and “FOR” the First Horizon adjournment proposal.

Your vote is very important. We cannot complete the merger unless First Horizon’s shareholders approve the issuance of shares of First Horizon common stock as contemplated by the merger agreement.

Regardless of whether you plan to attend the First Horizon special meeting, please vote as soon as possible. If you hold stock in your name as a shareholder of record of First Horizon, please vote telephonically, vote using the internet or complete, sign, date, and return the accompanying proxy card in the enclosed postage-paid return envelope. If you hold your stock in “street name” through a bank or broker, please follow the instructions on the voting instruction card furnished by the record holder.

The enclosed joint proxy statement/prospectus provides a detailed description of the First Horizon special meeting, the mergers, the documents related to the mergers, and other related matters. We urge you to read carefully the joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, in their entirety.

**BY ORDER OF THE BOARD OF DIRECTORS,**

A handwritten signature in black ink, appearing to read "D. Bryan Jordan".

**D. Bryan Jordan**  
*Chairman of the Board,*  
*President and Chief Executive Officer*  
First Horizon National Corporation



## NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To the holders of Class A voting common stock of Capital Bank Financial Corp.:

Capital Bank Financial Corp. (which we refer to as “Capital Bank Financial”) will hold a special meeting of holders of Class A voting common stock (which we refer to as “Capital Bank Financial Class A common stockholders”) on September 7, 2017 at the DoubleTree Suites by Hilton Hotel, 6300 Morrison Blvd., Charlotte, North Carolina 28211, at 4:00 p.m. local time (which we refer to as the “Capital Bank Financial special meeting”) to consider and vote upon the following matters:

- a proposal to adopt the Agreement and Plan of Merger, dated as of May 3, 2017, by and among First Horizon National Corporation (which we refer to as “First Horizon”), Capital Bank Financial and Firestone Sub, Inc. (which we refer to as “Merger Sub”), as such agreement may be amended from time to time, pursuant to which Merger Sub will merge with and into Capital Bank Financial and then with and into First Horizon, with First Horizon as the surviving corporation in the mergers, a copy of which is attached as Annex A and as more fully described in the attached joint proxy statement/prospectus (which we refer to as the “Capital Bank Financial merger proposal”);
- a proposal to approve, on an advisory (non-binding) basis, the compensation that certain executive officers of Capital Bank Financial may receive in connection with the Capital Bank Financial merger proposal pursuant to existing agreements or arrangements with Capital Bank Financial (which we refer to as the “Capital Bank Financial compensation proposal”); and
- a proposal to approve one or more adjournments of the Capital Bank Financial special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the Capital Bank Financial merger proposal (which we refer to as the “Capital Bank Financial adjournment proposal”).

The Capital Bank Financial board of directors has fixed the close of business on July 24, 2017 as the record date for the Capital Bank Financial special meeting. Only holders of record of shares of Capital Bank Financial Class A common stock at that time are entitled to notice of, and to vote at, the Capital Bank Financial special meeting, or any adjournment or postponement of the Capital Bank Financial special meeting. Approval of the Capital Bank Financial merger proposal requires the affirmative vote of holders of a majority of the outstanding shares of Capital Bank Financial Class A common stock. Approval of each of the Capital Bank Financial compensation proposal and the Capital Bank Financial adjournment proposal requires a majority of the votes cast at the Capital Bank Financial special meeting to be voted in favor of such proposal.

Capital Bank Financial’s board of directors has unanimously approved the merger agreement, has determined that the merger, on the terms and conditions set forth in the merger agreement, is advisable and in the best interests of Capital Bank Financial and its stockholders, and unanimously recommends that Capital Bank Financial Class A common stockholders vote “FOR” the Capital Bank Financial merger proposal, “FOR” the Capital Bank Financial compensation proposal and “FOR” the Capital Bank Financial adjournment proposal.

Your vote is very important. We cannot complete the merger unless Capital Bank Financial’s Class A common stockholders adopt the merger agreement.

Regardless of whether you plan to attend the Capital Bank Financial special meeting, please vote as soon as possible. If you hold stock in your name as a shareholder of record of Capital Bank Financial, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid return envelope. If you hold your stock in “street name” through a bank or broker, please follow the instructions on the voting instruction card furnished by the record holder.

The enclosed joint proxy statement/prospectus provides a detailed description of the Capital Bank Financial special meeting, the mergers, the documents related to the mergers, and other related matters. We urge you to read the joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, and its annexes carefully and in their entirety.

**BY ORDER OF THE BOARD OF DIRECTORS,**

A handwritten signature in black ink, appearing to read "Gene Taylor". The signature is fluid and cursive, with the first name "Gene" and last name "Taylor" clearly distinguishable.

**R. Eugene Taylor**  
*Chairman and Chief Executive Officer*  
Capital Bank Financial Corp.

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## REFERENCES TO ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about First Horizon and Capital Bank Financial from documents filed with the Securities and Exchange Commission (which we refer to as the “SEC”) that are not included in or delivered with this joint proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by First Horizon and/or Capital Bank Financial at no cost from the SEC’s website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference into this joint proxy statement/prospectus, at no cost by contacting the appropriate company at the following address:

**First Horizon National Corporation**

165 Madison Avenue  
Memphis, Tennessee 38103  
Attention: Clyde A. Billings, Jr.  
Telephone: (901) 523-4444

**Capital Bank Financial Corp.**

4725 Piedmont Row Drive, Suite 110  
Charlotte, North Carolina 28210  
Attention: Investor Relations  
Telephone: (704) 554-5901

**You will not be charged for any of these documents that you request. To obtain timely delivery of these documents, you must request them no later than five business days before the date of the applicable special meeting. This means that First Horizon shareholders requesting documents must do so by August 30, 2017, in order to receive them before the First Horizon special meeting, and Capital Bank Financial common stockholders requesting documents must do so by August 30, 2017, in order to receive them before the Capital Bank Financial special meeting.**

## ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS

This document, which forms part of a registration statement on Form S-4 filed with the SEC by First Horizon (File No. 333-219052), constitutes a prospectus of First Horizon under Section 5 of the Securities Act of 1933, as amended (which we refer to as the “Securities Act”), with respect to First Horizon common stock to be issued to Capital Bank Financial common stockholders pursuant to the Agreement and Plan of Merger, dated as of May 3, 2017, by and among First Horizon, Capital Bank Financial and Firestone Sub, Inc. (which we refer to as “Merger Sub”), as it may be amended from time to time. This document also constitutes a joint proxy statement of Capital Bank Financial and First Horizon under Section 14(a) of the Securities Exchange Act of 1934, as amended (which we refer to as the “Exchange Act”). It also constitutes a notice of meeting with respect to the Capital Bank Financial special meeting, at which Capital Bank Financial Class A common stockholders will be asked to consider and vote upon the approval of the merger agreement, and a notice of meeting with respect to the First Horizon special meeting, at which First Horizon shareholders will be asked to consider and vote upon the issuance of First Horizon common stock in connection with the merger.

You should rely only on the information contained in, or incorporated by reference into, this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated July 28, 2017, and you should assume that the information in this document is accurate only as of such date. The information contained in, or incorporated by reference into, this joint proxy statement/prospectus speaks only as of the date of this joint proxy statement/prospectus unless the information specifically indicates that another date applies. Neither the mailing of this joint proxy statement/prospectus to Capital Bank Financial common stockholders or First Horizon shareholders, nor the issuance by First Horizon of shares of common stock in connection with the merger, will create any implication to the contrary.

**This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this document regarding Capital Bank Financial has been provided by Capital Bank Financial and information contained in this document regarding First Horizon has been provided by First Horizon.**

See “Where You Can Find More Information” for more details.

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## QUESTIONS AND ANSWERS

*The following are some questions that you may have about the mergers and the First Horizon special meeting or the Capital Bank Financial special meeting, and brief answers to those questions. We urge you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the mergers, the First Horizon special meeting or the Capital Bank Financial special meeting. Additional important information is also contained in the documents incorporated by reference into this joint proxy statement/prospectus. See “Where You Can Find More Information.”*

### **Q: What are the mergers?**

A: First Horizon, Capital Bank Financial and Merger Sub have entered into an Agreement and Plan of Merger, dated as of May 3, 2017, as such agreement may be amended from time to time. Under the merger agreement, Merger Sub will merge with and into Capital Bank Financial, with Capital Bank Financial remaining as the surviving entity and becoming a wholly-owned subsidiary of First Horizon. Such surviving entity will, as soon as reasonably practicable following the merger and as part of a single integrated transaction, merge with and into First Horizon. Immediately following the completion of the second step merger, or at such later time as First Horizon may determine in its sole discretion, Capital Bank Corporation (which we refer to as “Capital Bank Sub”), a North Carolina state chartered bank and wholly-owned bank subsidiary of Capital Bank Financial, will merge with and into First Tennessee Bank National Association (which we refer to as “FTBNA”), a national bank and direct subsidiary of First Horizon, with FTBNA continuing as the surviving bank (which we refer to as the “bank merger”). A copy of the merger agreement is included in this joint proxy statement/ prospectus as Annex A.

The merger cannot be completed unless, among other things, Capital Bank Financial Class A common stockholders approve the proposal to adopt the merger agreement and First Horizon shareholders approve the proposal for issuance of shares of First Horizon common stock in connection with the merger, as described below under “—What will Capital Bank Financial common stockholders receive in the merger?”

### **Q: Why am I receiving this joint proxy statement/prospectus?**

A: We are delivering this document to you because it is a joint proxy statement being used by both Capital Bank Financial’s and First Horizon’s boards of directors to solicit proxies of their respective Class A common stockholders and common shareholders in connection with the adoption of the merger agreement, the issuance of shares of First Horizon common stock, and related matters.

In order to approve the issuance of shares of First Horizon common stock, First Horizon has called a special meeting of its shareholders. This document serves as a proxy statement for the First Horizon special meeting and describes the proposals to be presented at the First Horizon special meeting. Holders of First Horizon’s depositary shares (representing a 1/4000<sup>th</sup> interest in a share of non-cumulative perpetual preferred stock, series A), are not entitled to, and are not requested to, vote at the First Horizon special meeting.

Capital Bank Financial has also called a special meeting of its Class A common stockholders to adopt the merger agreement and approve related matters. This document serves as a proxy statement for the Capital Bank Financial special meeting and describes the proposals to be presented at the Capital Bank Financial special meeting. Holders of Capital Bank Financial Class B common stock are not entitled to, and are not requested to, vote at the Capital Bank Financial meeting.

Finally, this document is also a prospectus that is being delivered to all holders of Capital Bank Financial Class A or Class B common stock (which we refer to as the “Capital Bank Financial common stockholders”) because, in connection with the mergers, First Horizon is offering, in addition to cash consideration, shares of its common stock to Capital Bank Financial common stockholders.

This joint proxy statement/prospectus contains important information about the mergers and the other proposals being voted on at the First Horizon and Capital Bank Financial special meetings and important information to consider in connection with an investment in First Horizon common stock. You should read it carefully and in its entirety. The enclosed materials allow you to have your shares of common stock voted by proxy without attending the applicable special meeting. Your vote is important and we encourage you to submit your proxy as soon as possible.

**Q: What are First Horizon shareholders being asked to vote on at the First Horizon special meeting?**

A: First Horizon is soliciting proxies from its shareholders with respect to the following proposals:

- a proposal to approve the issuance of shares of First Horizon common stock in connection with the merger as contemplated by the merger agreement (which we refer to as the “First Horizon stock issuance proposal”); and
- a proposal to adjourn the First Horizon special meeting, if necessary or appropriate, to solicit additional proxies in favor of the First Horizon stock issuance proposal (which we refer to as the “First Horizon adjournment proposal”).

**Q: What are Capital Bank Financial Class A common stockholders being asked to vote on at the Capital Bank Financial special meeting?**

A: Capital Bank Financial is soliciting proxies from its Class A common stockholders with respect to the following proposals:

- a proposal to adopt the merger agreement (which we refer to as the “Capital Bank Financial merger proposal”);
- a proposal to approve, on an advisory (non-binding) basis, the compensation that certain executive officers of Capital Bank Financial may receive in connection with the merger pursuant to existing agreements or arrangements with Capital Bank Financial (which we refer to as the “Capital Bank Financial compensation proposal”); and
- a proposal to adjourn the Capital Bank Financial special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Capital Bank Financial merger proposal (which we refer to as the “Capital Bank Financial adjournment proposal”).

**Q: What will Capital Bank Financial common stockholders receive in the merger?**

A: If the merger is completed, each share of Class A common stock and each share of Class B non-voting common stock, par value \$0.01 per share, of Capital Bank Financial (which we refer to as the “Class B common stock” and, together with the Class A common stock, the “Capital Bank Financial common stock”) will be converted into the right to receive, either

- (i) an amount in cash (which we refer to as the “per share cash consideration”) equal to the sum of (A) \$7.90 plus (B) the product of 1.75 multiplied by the average of the closing sale prices of a share of First Horizon common stock, on the New York Stock Exchange (which we refer to as the “NYSE”), as reported by *The Wall Street Journal*, for the ten full trading days ending on the day preceding the closing date of the merger (which we refer to as the “First Horizon share closing price”), or
- (ii) the number of shares of First Horizon common stock (which we refer to as the “per share stock consideration”) equal to the quotient (which we refer to as the “exchange ratio”) of (A) the per share cash consideration divided by (B) the First Horizon share closing price,

in each case at the election of the applicable Capital Bank Financial common stockholder, subject to procedures applicable to oversubscription and undersubscription for cash consideration described below. We refer to the cash consideration and the stock consideration as the “merger consideration.” Although the per share cash consideration as calculated pursuant to clause (i) above is intended to equal the value of the per share stock consideration as calculated pursuant to clause (ii), because the calculations are based on an average of First Horizon’s stock

price during the 10-day period ending on the day preceding the closing date of the merger, the values of the two forms of consideration at the closing of the merger are not likely to be the same.

First Horizon will not issue any fractional shares of First Horizon common stock in the merger. In lieu of fractional shares of First Horizon common stock, First Horizon will pay to each former Capital Bank Financial common stockholder who holds fractional shares an amount in cash equal to the fractional share that such shareholder would otherwise be entitled to receive (rounded to the nearest cent), determined by multiplying the First Horizon share closing price by the fraction of a share (rounded to the nearest thousandth when expressed in decimal form) of First Horizon common stock that such shareholder would otherwise be entitled to receive.

The merger agreement provides that the cash component will equal \$410,535,300.

The First Horizon share closing price will not be known at the time of the First Horizon and Capital Bank Financial special meetings and may be less than the current price or the price at the time of the applicable special meeting. Based on the closing sale price of a share of First Horizon common stock on the NYSE on May 2, 2017, which was \$18.56 and the number of shares of Capital Bank Financial common stock outstanding on that date (which was 51,966,497), the per share consideration would have been \$40.38 and the exchange ratio would have been 2.1756 and accordingly, approximately 20% of the shares of Capital Bank Financial common stock would have been converted into the right to receive the cash consideration and approximately 80% of such shares would have been converted into the right to receive the stock consideration. Based on the closing sale price of \$18.06 for a share of First Horizon common stock on the NYSE on July 25, 2017, the last date before the date of this joint proxy statement/prospectus for which it was practicable to obtain this information, and 52,090,197 shares of Capital Bank Financial common stock outstanding, the per share cash consideration would have been \$39.505 and the exchange ratio would have been 2.1874 and accordingly, approximately 19.95% of the shares of Capital Bank Financial common stock would have been converted into the right to receive the cash consideration and approximately 80.05% of such shares would have been converted into the right to receive the stock consideration. Based on information as of such date, the aggregate number of First Horizon common stock to be issued as stock consideration would have been 91,210,673 and, accordingly, approximately 71.97% of outstanding First Horizon common stock following the merger would have been held by stockholders that were holders of First Horizon common stock immediately prior to the effectiveness of the merger and approximately 28.03% of outstanding First Horizon common stock would have been held by shareholders that were Capital Bank Financial common stockholders immediately prior to the effectiveness of the merger.

**We urge you to obtain current market quotations for First Horizon (trading symbol “FHN”) and Capital Bank Financial (trading symbol “CBF”).**

**Q: Will Capital Bank Financial common stockholders receive the form of consideration they elect?**

A: A Capital Bank Financial common stockholder may not receive the form of consideration that such stockholder elects in the merger. The proration and adjustment procedures in the merger agreement will result, regardless of the elections made, in the total cash consideration being equal to the cash component. Accordingly, the number of shares of Capital Bank Financial common stock to be converted into the right to receive the cash consideration (which we refer to as the “cash conversion number”) will be determined by dividing the cash component by the per share cash consideration, and the balance of the shares will be converted into the right to receive the stock consideration. Pursuant to proration and adjustment procedures in the merger agreement, if the number of shares of Capital Bank Financial common stock for which a cash election has been made exceeds the cash conversion number, a pro rata portion of all those shares for which a cash election has been made will instead be converted into the right to receive the stock consideration. Similarly, if the number of shares of Capital Bank Financial common stock for which a cash election has been made is less than the cash conversion number, a pro rata portion of all the shares of Capital Bank Financial common stock for which a stock

election has been made will instead be converted into the right to receive the cash consideration. In each case, outstanding shares of Capital Bank Financial common stock with respect to which no election has been made will be converted to the undersubscribed form of merger consideration first. The allocation of the consideration payable to Capital Bank Financial common stockholders in the merger will not be known until the results of the merger consideration elections made by Capital Bank Financial common stockholders are tallied, which will not occur until near or after the closing of the merger. See “The Merger Agreement—Merger Consideration” beginning on page 112.

**Q: How will Capital Bank Financial common stockholders make their election to receive either the cash consideration or the stock consideration in the merger?**

A: An election form will be mailed to each holder of record of Capital Bank Financial common stock as of the business day immediately preceding the mailing. The mailing will occur at least 20 business days prior to the anticipated election deadline, which is expected to be 5:00 p.m. local time on the date First Horizon and Capital Bank Financial expect to be two business days before the closing date. First Horizon will also make an election form available to each Capital Bank Financial common stockholder who requests such form before the election deadline. Each Capital Bank Financial common stockholder should complete and return the election form, along with Capital Bank Financial stock certificate(s) (or a properly completed notice of guaranteed delivery), according to the instructions included with the form. The election form will be provided to Capital Bank Financial common stockholders under separate cover and is not being provided with this document.

If you own shares of Capital Bank Financial common stock in “street name” through a bank, broker or other nominee and you wish to make an election, you should seek instructions from the bank, broker or other nominee holding your shares concerning how to make an election. If you do not send in the election form with your stock certificate(s) by the election deadline, you will be treated as though you had not made an election.

**Q: What happens if a Capital Bank Financial common stockholder does not make a valid election to receive either the cash consideration or the stock consideration?**

A: If a Capital Bank Financial common stockholder does not return a properly completed election form by the election deadline specified in the election form, such stockholder’s shares of Capital Bank Financial common stock will be considered “non-election” shares and will be converted into the right to receive the per share stock consideration or the per share cash consideration according to the allocation procedures specified in the merger agreement. Generally, in the event one form of merger consideration (i.e., cash or shares of First Horizon common stock) is undersubscribed, shares of Capital Bank Financial common stock for which no election was validly made will be allocated to that form of merger consideration before shares of Capital Bank Financial common stock electing the oversubscribed form of merger consideration will be allocated to the undersubscribed form of merger consideration pursuant to the proration and adjustment procedures. Accordingly, although electing one form of merger consideration will not guarantee you will receive that form of merger consideration for all of your shares of Capital Bank Financial common stock, in the event proration is necessary, electing shares will be allocated the undersubscribed form of consideration only after such consideration is allocated to “non-election” shares.

**Q: What will First Horizon shareholders receive in the merger?**

A: If the merger is completed, First Horizon shareholders will not receive any merger consideration and will continue to hold the shares of First Horizon stock that they currently hold. Following the merger, shares of First Horizon common stock will continue to be traded on the NYSE under the symbol “FHN.”

**Q: Will the value of the merger consideration change between the date of this joint proxy statement/prospectus and the time the merger is completed?**

A: Yes. Because the merger consideration includes a component based on the First Horizon share closing price, any changes in the market price of First Horizon common stock will have a corresponding effect on the amount of per share cash consideration. However, such changes will not affect the aggregate amount of cash consideration, which is fixed at \$410,535,300. In addition, any change in the market price of First Horizon common stock prior to the completion of the merger will affect the value of the per share stock consideration.

**Q: How does the First Horizon board of directors recommend that I vote at the First Horizon special meeting?**

A: The First Horizon board of directors recommends that you vote “FOR” the First Horizon stock issuance proposal and “FOR” the First Horizon adjournment proposal.

**Q: How does the Capital Bank Financial board of directors recommend that I vote at the Capital Bank Financial special meeting?**

A: The Capital Bank Financial board of directors recommends that you vote “FOR” the Capital Bank Financial merger proposal, “FOR” the Capital Bank Financial compensation proposal, and “FOR” the Capital Bank Financial adjournment proposal.

**Q: When and where are the meetings?**

A: The First Horizon special meeting will be held on September 7, 2017 at the M-Level Auditorium, First Tennessee Building, 165 Madison Avenue, Memphis, Tennessee 38103, at 3:00 p.m. local time.

The Capital Bank Financial special meeting will be held on September 7, 2017 at the DoubleTree Suites by Hilton Hotel, 6300 Morrison Blvd., Charlotte, North Carolina 28211, at 4:00 p.m. local time.

**Q: What do I need to do now?**

A: After you have carefully read this joint proxy statement/prospectus and have decided how you wish to vote your shares, please vote your shares promptly so that your shares are represented and voted at the First Horizon special meeting and/or Capital Bank Financial special meeting, as applicable. If you are both a shareholder of First Horizon and a stockholder of Capital Bank Financial, you will need to vote your First Horizon and Capital Bank Financial shares separately and to submit a separate proxy card to each company. If you hold your shares in your name as a stockholder of record, you must complete, sign, date, and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. Alternatively, you may vote through the Internet or by telephone. Information and applicable deadlines for voting through the Internet or by telephone are set forth in the enclosed proxy card instructions. If you hold your shares in “street name” through a bank, broker or other holder of record, you must direct your bank, broker or other holder of record how to vote in accordance with the instructions you have received from your bank, broker or other holder of record. “Street name” holders who wish to vote in person at the First Horizon special meeting or Capital Bank Financial special meeting will need to obtain a legal proxy from the institution that holds their shares.

**Q: What constitutes a quorum for the First Horizon special meeting?**

A: The presence at the First Horizon special meeting, in person or by proxy, of holders of a majority of the outstanding shares of First Horizon common stock entitled to vote at the First Horizon special meeting will constitute a quorum for the transaction of business. Abstentions will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

**Q: What constitutes a quorum for the Capital Bank Financial special meeting?**

A: The presence at the Capital Bank Financial special meeting, in person or by proxy, of holders of a majority of the outstanding shares of Capital Bank Financial Class A common stock entitled to vote at the Capital Bank Financial special meeting will constitute a quorum for the transaction of business. Abstentions will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

**Q: What is the vote required to approve each proposal at the First Horizon special meeting?**

A: *First Horizon stock issuance proposal:*

- Standard: Approval of the First Horizon stock issuance proposal requires the affirmative vote of the holders of at least a majority of the votes cast at the First Horizon special meeting.
- Effect of abstentions and broker non-votes: If you mark “ABSTAIN” on your proxy card, fail to submit a proxy card or vote in person at the First Horizon special meeting, or fail to instruct your bank or broker how to vote with respect to the First Horizon stock issuance proposal, you will not be deemed to have cast a vote with respect to the proposal and it will have no effect on the proposal.

*First Horizon adjournment proposal:*

- Standard: Approval of the First Horizon adjournment proposal requires the affirmative vote of the holders of at least a majority of the votes cast at the First Horizon special meeting.
- Effect of abstentions and broker non-votes: If you mark “ABSTAIN” on your proxy card, fail to submit a proxy card or vote in person at the First Horizon special meeting, or fail to instruct your bank or broker how to vote with respect to the First Horizon adjournment proposal, you will not be deemed to have cast a vote with respect to the proposal and it will have no effect on the proposal.

Holders of First Horizon’s depositary shares (representing a 1/4000th interest in a share of non-cumulative perpetual preferred stock, series A), are not entitled to, and are not requested to, vote at the First Horizon special meeting.

**Q: What is the vote required to approve each proposal at the Capital Bank Financial special meeting?**

A: *Capital Bank Financial merger proposal:*

- Standard: Approval of the Capital Bank Financial merger proposal requires the affirmative vote of the holders of at least a majority of the outstanding shares of Capital Bank Financial Class A common stock.
- Effect of abstentions and broker non-votes: If you fail to vote, mark “ABSTAIN” on your proxy, or fail to instruct your bank or broker with respect to the Capital Bank Financial merger proposal, it will have the same effect as a vote “AGAINST” the proposal.

*Capital Bank Financial compensation proposal:*

- Standard: Approval of the Capital Bank Financial compensation proposal requires the affirmative vote of the holders of at least a majority of the votes cast at the Capital Bank Financial special meeting.
- Effect of abstentions and broker non-votes: If you mark “ABSTAIN” on your proxy card, fail to submit a proxy card or vote in person at the Capital Bank Financial special meeting, or fail to instruct your bank or broker how to vote with respect to the Capital Bank Financial compensation proposal, you will not be deemed to have cast a vote with respect to the proposal and it will have no effect on the proposal.

*Capital Bank Financial adjournment proposal:*

- Standard: Approval of the Capital Bank Financial adjournment proposal requires the affirmative vote of the holders of at least a majority of the votes cast at the Capital Bank Financial special meeting.

- **Effect of abstentions and broker non-votes:** If you mark “ABSTAIN” on your proxy card, fail to submit a proxy card or vote in person at the Capital Bank Financial special meeting, or fail to instruct your bank or broker how to vote with respect to the Capital Bank Financial adjournment proposal, you will not be deemed to have cast a vote with respect to the proposal and it will have no effect on the proposal.

First Horizon has entered into agreements (which we refer to as the “support agreements”) with (1) Oak Hill Capital Partners III, L.P. and Oak Hill Capital Management Partners III, L.P. (which we refer to collectively as “Oak Hill Capital Partners”), (2) Crestview NAFH, LLC and Crestview Advisors, L.L.C. (which we refer to collectively as “Crestview Partners”) and (3) R. Eugene Taylor, Capital Bank Financial’s Chairman and Chief Executive Officer, pursuant to which each of Oak Hill Capital Partners, Crestview Partners and Mr. Taylor (which we refer to collectively as the “supporting stockholders”) has agreed, subject to certain exceptions, to vote all shares of Class A common stock beneficially owned by them in favor of approval of the Capital Bank Financial merger proposal. See “Support Agreements.”

As of the record date, the supporting stockholders beneficially owned, in the aggregate, 5,687,272 shares of Capital Bank Financial Class A common stock.

**Q: Why is my vote important?**

A: If you do not vote, it will be more difficult for First Horizon or Capital Bank Financial to obtain the necessary quorum to hold their special meetings. In addition, if you are a holder of shares of Capital Bank Financial Class A common stock, your failure to submit a proxy or vote in person, or failure to instruct your bank or broker how to vote will have the same effect as a vote “AGAINST” the Capital Bank Financial merger proposal.

**Q: What will happen if Capital Bank Class A common stockholders do not approve the Capital Bank Financial compensation proposal?**

A: Approval of the Capital Bank Financial compensation proposal is not a condition to completion of the merger, and the vote with respect to this proposal is advisory only and will not be binding on First Horizon or Capital Bank Financial. If the merger is completed, the merger-related compensation may be paid to Capital Bank Financial’s named executive officers to the extent payable in accordance with the terms of their compensation agreements and arrangements even if Capital Bank Financial Class A common stockholders fail to approve the Capital Bank Financial compensation proposal.

**Q: Are there any risks that I should consider in deciding whether to vote for the approval of the merger agreement?**

A: Yes. You should read and carefully consider the risk factors set forth in the section entitled “Risk Factors” beginning on page 35 of this joint proxy statement/prospectus. You also should read and carefully consider the risk factors of First Horizon and Capital Bank Financial included in the documents that are incorporated by reference into this joint proxy statement/prospectus.

**Q: If my shares of common stock are held in “street name” by my bank or broker, will my bank or broker automatically vote my shares for me?**

A: No. Your bank or broker cannot vote your shares without instructions from you. If your shares are held in “street name” through a bank, broker, or other holder of record, you must provide the record holder of your shares with instructions on how to vote the shares. Please follow the voting instructions provided by the bank or broker. You may not vote shares held in street name by returning a proxy card directly to First Horizon or Capital Bank Financial, or by voting in person at the First Horizon special meeting or the Capital Bank Financial special meeting, unless you provide a “legal proxy,” which you must obtain from your broker, bank, or other holder of record. Further, brokers, banks, or other holders of record who hold shares of First Horizon common stock or shares of Capital Bank Financial Class A common stock on behalf of their customers may not give a proxy to First Horizon or Capital Bank Financial to vote those shares



with respect to any of the proposals without specific instructions from their customers, as brokers, banks, and other holders of record do not have discretionary voting power on these matters. If you are a Capital Bank Financial “street name” stockholder, failure to instruct your bank, broker, or other holder of record how to vote will have the same effect as a vote “AGAINST” the Capital Bank Financial merger proposal.

**Q: Can I attend the First Horizon and Capital Bank Financial special meetings and vote my shares in person?**

A: Yes. All holders of First Horizon common stock and Capital Bank Financial Class A common stock, including holders of record and holders who hold their shares through banks, brokers or any other holder of record, are invited to attend their respective special meetings. Holders of record of First Horizon common stock and Capital Bank Financial Class A common stock can vote in person at the First Horizon special meeting and Capital Bank Financial special meeting, respectively. If you are not a holder of record (i.e., if your shares are held for you in “street name”), you must obtain a legal proxy, executed in your favor, from the record holder of your shares, such as a broker, bank, or other holder of record, to be able to vote in person at the meetings. If you plan to attend a meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted to the meeting. First Horizon and Capital Bank Financial reserve the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. Whether or not you intend to be present at the First Horizon special meeting or the Capital Bank Financial special meeting, you are urged to sign, date, and return your proxy card, or to vote via the Internet or by telephone, promptly. If you are then present and wish to vote your shares in person, your original proxy may be revoked by voting by ballot at the First Horizon special meeting or the Capital Bank Financial special meeting, as applicable.

**Q: Can I change my vote?**

A: *First Horizon shareholders:* Yes. If you are a holder of record of First Horizon common stock, you may change your vote at any time before your shares of First Horizon common stock are voted at the First Horizon special meeting by: (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to First Horizon’s corporate secretary, (3) attending the First Horizon special meeting in person, notifying the corporate secretary and voting by ballot at the First Horizon special meeting, or (4) voting by telephone or the Internet at a later time. Attendance at the First Horizon special meeting will not automatically revoke your proxy. A revocation or later-dated proxy received by First Horizon after the vote will not affect the vote. First Horizon’s corporate secretary’s mailing address is: Corporate Secretary, First Horizon National Corporation, P.O. Box 84, Memphis, Tennessee, 38101. If you hold your shares in “street name” through a bank or broker, you should contact your bank or broker to change your vote.

*Capital Bank Financial Class A common stockholders:* Yes. If you are a holder of record of Capital Bank Financial Class A common stock, you may change your vote at any time before your shares of Capital Bank Financial Class A common stock are voted at the Capital Bank Financial special meeting by: (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to Capital Bank Financial’s corporate secretary, (3) attending the Capital Bank Financial special meeting in person, notifying the corporate secretary and voting by ballot at the Capital Bank Financial special meeting, or (4) voting by telephone or the Internet at a later time. Attendance at the Capital Bank Financial special meeting will not automatically revoke your proxy. A revocation or later-dated proxy received by Capital Bank Financial after the vote will not affect the vote. Capital Bank Financial’s corporate secretary’s mailing address is: Secretary, Capital Bank Financial Corp., 4725 Piedmont Row Drive, Suite 110, Charlotte, North Carolina 28210. If you hold your shares in “street name” through a bank or broker, you should contact your bank or broker to change your vote.

**Q: Will Capital Bank Financial be required to submit the proposal to adopt the merger agreement to its stockholders even if the Capital Bank Financial board of directors has withdrawn, modified, or qualified its recommendation?**

A: Yes. Unless the merger agreement is terminated before the Capital Bank Financial special meeting, Capital Bank Financial is required to submit the proposal to adopt the merger agreement to its stockholders even if the Capital Bank Financial board of directors has withdrawn or modified its recommendation. Such a decision by the Capital Bank Financial board of directors would be disclosed.

**Q: What are the U.S. federal income tax consequences of the mergers to Capital Bank Financial common stockholders?**

A: The mergers, taken together, are intended to qualify as a “reorganization” within the meaning of Section 368(a) of the Code and it is a condition to the respective obligations of First Horizon and Capital Bank Financial to complete the merger that each of First Horizon and Capital Bank Financial receives a legal opinion to that effect. Assuming the receipt and accuracy of these opinions, the tax consequences of the mergers to U.S. Capital Bank Financial common stockholders are as follows:

- a holder who receives solely cash for shares of Capital Bank Financial common stock will recognize gain or loss equal to the difference between the amount of cash received by a holder of Capital Bank Financial common stock and such holder’s tax basis in such holder’s shares of Capital Bank Financial common stock;
- a holder who receives solely shares of First Horizon common stock (or receives First Horizon common stock and cash solely in lieu of a fractional share) in exchange for shares of Capital Bank Financial common stock generally will not recognize any gain or loss upon the merger, except with respect to the cash received in lieu of fractional share of First Horizon common stock;
- a holder who receives a combination of First Horizon common stock and cash (other than cash received instead of a fractional share of First Horizon common stock) in exchange for shares of Capital Bank Financial common stock generally will recognize gain (but not loss) in an amount equal to the lesser of (1) the amount by which the sum of the fair market value of the First Horizon common stock and cash received by a holder pursuant to the merger exceeds such holder’s tax basis in its shares of Capital Bank Financial common stock, and (2) the amount of cash received by such holder pursuant to the merger (excluding any cash received in lieu of a fractional share of First Horizon common stock, as discussed below).

Gain or loss that Capital Bank Financial common stockholders recognize in connection with the mergers will generally constitute capital gain or loss and will constitute long-term capital gain or loss if such holders have held their Capital Bank Financial common stock for more than one year as of the effective date of the merger.

For more detailed information, please refer to “Material U.S. Federal Income Tax Consequences of the Mergers.”

*The United States federal income tax consequences described above may not apply to all Capital Bank Financial common stockholders. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.*

**Q: Are Capital Bank Financial common stockholders entitled to dissenters’ rights?**

A: Yes. Capital Bank Financial common stockholders are expected to be entitled to dissenters’ rights. For further information, see “The Mergers—Dissenters’ Rights in the Merger.”

**Q: If I am a Capital Bank Financial common stockholder, should I send in my Capital Bank Financial stock certificate(s) now?**

A: No. *Please do not send in your Capital Bank Financial stock certificates with your proxy.* You should submit your Capital Bank Financial stock certificates with your election form. Any Capital Bank Financial common stockholder who has not submitted their physical stock certificate(s) with a form of election will be sent materials after the merger closes to effect the exchange of their Capital Bank Financial common stock for the merger consideration. See “The Merger Agreement—Exchange of Shares; Elections as to Form of Consideration.”

**Q: Whom may I contact if I cannot locate my Capital Bank Financial stock certificate(s)?**

A: If you are unable to locate your original Capital Bank Financial stock certificate(s), you should contact American Stock Transfer & Trust Company, LLC, Capital Bank Financial’s transfer agent, at 3<sup>rd</sup> Floor, 6201 15<sup>th</sup> Avenue, Brooklyn, New York, NY 11219 or by telephone at (718) 921-8124.

**Q: What should I do if I receive more than one set of voting materials?**

A: First Horizon shareholders and Capital Bank Financial Class A common stockholders may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold shares of First Horizon common stock and/or shares of Capital Bank Financial Class A common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold such shares. If you are a holder of record of First Horizon common stock or Capital Bank Financial Class A common stock and your shares are registered in more than one name, you will receive more than one proxy card. In addition, if you are a holder of both First Horizon common stock and Capital Bank Financial Class A common stock, you will receive one or more separate proxy cards or voting instruction cards for each company. Please complete, sign, date, and return each proxy card and voting instruction card that you receive or otherwise follow the voting instructions set forth in this joint proxy statement/prospectus to ensure that you vote every share of First Horizon common stock and/or Capital Bank Financial Class A common stock that you own.

**Q: Where can I find the voting results of the First Horizon and Capital Bank Financial special meetings?**

A: The preliminary voting results will be announced at the applicable special meeting. In addition, within four business days following certification of the final voting results, First Horizon and Capital Bank Financial will each file the final voting results with the SEC on a Current Report on Form 8-K.

**Q: When do you expect to complete the merger?**

A: First Horizon and Capital Bank Financial expect to complete the merger in the fourth quarter of 2017. However, neither First Horizon nor Capital Bank Financial can assure you of when or if the merger will be completed. First Horizon must obtain the approval of First Horizon shareholders for the issuance of shares of First Horizon common stock at its special meeting, and Capital Bank Financial must obtain the approval of Capital Bank Financial Class A common stock holders to adopt the merger agreement at its special meeting. First Horizon and Capital Bank Financial must also obtain necessary regulatory approvals in addition to satisfying certain other closing conditions.

**Q: What happens if the merger is not completed?**

A: If the merger is not completed, Capital Bank Financial common stockholders will not receive any consideration for their shares of Capital Bank Financial common stock in connection with the merger. Instead, Capital Bank Financial will remain an independent, public company and Capital Bank Financial common stock will continue to be listed and traded on the NASDAQ Global

Select Market (which we refer to as the “NASDAQ”). In addition, if the merger agreement is terminated in certain circumstances, Capital Bank Financial may be required to pay a termination fee. See “The Merger Agreement—Termination Fee” for a complete discussion of the circumstances under which a termination fee will be required to be paid.

**Q: Whom should I call with questions?**

*A: First Horizon shareholders:* If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus, or need help voting your shares of First Horizon common stock, please contact First Horizon’s proxy solicitor, Morrow Sodali LLC, at 470 West Avenue, Stamford, Connecticut 06902, or toll-free at (800) 662-5200.

*Capital Bank Financial common stockholders:* If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus, or need help voting your shares of Capital Bank Financial Class A common stock, please contact Capital Bank Financial’s proxy solicitor, Alliance Advisors, at 200 Broadacres Drive, 3<sup>rd</sup> Floor, Bloomfield, New Jersey 07003, or toll-free at (833) 501-4704.

## SUMMARY

*This summary highlights selected information from this joint proxy statement/prospectus. It may not contain all of the information that is important to you. We urge you to read carefully the entire joint proxy statement/prospectus, including the annexes, and the other documents to which we refer in order to fully understand the mergers. Additional important information is also contained in the documents incorporated by reference into this joint proxy statement/prospectus. See “Where You Can Find More Information.” Each item in this summary refers to the page of this joint proxy statement/prospectus on which that subject is discussed in more detail.*

### **In the Merger, Capital Bank Financial Common Stockholders Will Receive Either First Horizon Common Stock or Cash (page 56)**

First Horizon and Capital Bank Financial are proposing a strategic merger. If the merger is completed, each then-outstanding share of Capital Bank Financial common stock, with certain limited exceptions, will be converted into the right to receive either (i) an amount in cash equal to the sum of (A) \$7.90 plus (B) the product of 1.75 multiplied by the First Horizon share closing price, or (ii) the number of shares of First Horizon common stock equal to the quotient of (A) the per share cash consideration divided by (B) the First Horizon share closing price, in each case at the election of the applicable Capital Bank Financial common stockholder, subject to procedures applicable to oversubscription and undersubscription for cash consideration. The aggregate amount of the cash consideration is fixed at \$410,535,300.

As a result of the foregoing, based on the closing sale price of \$18.06 for a share of First Horizon common stock on the NYSE on July 25, 2017, the last date before the date of this joint proxy statement/prospectus for which it was practicable to obtain this information, and 52,090,197 shares of Capital Bank Financial common stock outstanding, the per share cash consideration would have been \$39.505 and the exchange ratio would have been 2.1874 and accordingly, approximately 19.95% of the shares of Capital Bank Financial common stock would have been converted into the right to receive the cash consideration and approximately 80.05% of such shares would have been converted into the right to receive the stock consideration. Based on information as of such date, the aggregate number of shares of First Horizon common stock to be issued as stock consideration would have been 91,210,673 and, accordingly, approximately 28.03% of outstanding shares of First Horizon common stock would have been held by shareholders that were Capital Bank Financial common stockholders immediately prior to the effectiveness of the merger.

No fractional shares of First Horizon common stock will be issued in connection with the merger. Capital Bank Financial common stockholders who would otherwise be entitled to a fraction of a share of First Horizon common stock upon completion of the merger will instead receive, for the fraction of a share, an amount in cash (rounded to the nearest cent) based on the First Horizon share closing price, as further discussed in this joint proxy statement/prospectus.

First Horizon common stock is listed on the NYSE under the symbol “FHN” and Capital Bank Financial Class A common stock is listed on the NASDAQ under the symbol “CBF.” The following table shows the closing sale prices of First Horizon common stock and Capital Bank Financial Class A common stock as reported on the NYSE and NASDAQ, respectively, on March 14, 2017, the last full trading day before rumors of a transaction by Capital Bank Financial were reported by Bloomberg, on May 3, 2017, the last full trading day before the public announcement of the signing of the merger agreement, and on July 25, 2017, the last trading day before the date of this joint proxy statement/prospectus for which it was practicable to obtain information. The table also shows the implied value of the merger consideration payable for each share of Capital Bank Financial common stock on March 14, 2017, May 3, 2017 and July 25, 2017, calculated by multiplying the First Horizon share closing price by 1.75 and adding \$7.90 in cash.

	First Horizon Common Stock	Capital Bank Financial Common Stock	Implied Value of One Share of Capital Bank Financial Common Stock
March 14, 2017	\$ 19.34	\$ 40.90	\$ 41.75
May 3, 2017	\$ 18.82	\$ 42.05	\$ 40.84
July 25, 2017	\$ 18.06	\$ 39.10	\$ 39.51

The merger agreement governs the mergers. The merger agreement is included in this joint proxy statement/prospectus as Annex A. All descriptions in this summary and elsewhere in this joint proxy statement/prospectus of the terms and conditions of the mergers are qualified by reference to the merger agreement. Please read the merger agreement carefully for a more complete understanding of the mergers.

**The Capital Bank Financial Board of Directors Recommends that Capital Bank Financial Class A Common Stockholders Vote “FOR” the Adoption of the Merger Agreement and the Other Proposals Presented at the Capital Bank Financial Special Meeting (page 63)**

The Capital Bank Financial board of directors has determined that the mergers, the merger agreement, and the transactions contemplated by the merger agreement are advisable and in the best interests of Capital Bank Financial and its stockholders, and has approved the merger agreement. The Capital Bank Financial board of directors recommends that Capital Bank Financial Class A common shareholders vote “FOR” the Capital Bank Financial merger proposal and “FOR” the other proposals presented at the Capital Bank Financial special meeting. For the factors considered by the Capital Bank Financial board of directors in reaching its decision to approve the merger agreement, see “The Mergers—Capital Bank Financial’s Reasons for the Merger; Recommendation of the Capital Bank Financial Board of Directors.”

**The First Horizon Board of Directors Recommends that First Horizon Shareholders Vote “FOR” the First Horizon Stock Issuance Proposal at the First Horizon Special Meeting (page 61)**

The First Horizon board of directors has approved the mergers, the stock issuance and the merger agreement, has determined that the merger agreement and the transactions contemplated thereby, including the mergers and the stock issuance, are advisable and in the best interests of First Horizon and its shareholders, and recommends that First Horizon shareholders vote “FOR” the First Horizon stock issuance proposal. For the factors considered by the First Horizon board of directors in reaching its decision to approve the merger agreement, see “The Mergers—First Horizon’s Reasons for the Merger; Recommendation of the First Horizon Board of Directors.”

**Opinions of First Horizon’s Financial Advisors (page 78 and Annexes C and D)**

***Barclays Capital Inc. (page 78)***

First Horizon engaged Barclays Capital Inc. (which we refer to as “Barclays”) to act as a financial advisor with respect to a possible purchase of Capital Bank Financial, pursuant to an engagement letter dated April 21, 2017. In deciding to approve the proposed merger, First Horizon’s board of directors considered the oral opinion of Barclays, confirmed by delivery of a written opinion, dated May 3, 2017, to First Horizon’s board of directors to the effect that, as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the merger consideration to be paid by First Horizon in the proposed merger was fair to First Horizon, from a financial point of view.

**The full text of Barclays’ written opinion, dated as of May 3, 2017, is attached as Annex C to this joint proxy statement/prospectus. Barclays’ written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon the review**

**undertaken by Barclays in rendering its opinion. You are encouraged to read the opinion carefully in its entirety.**

***Morgan Stanley & Co. LLC (page 88)***

In connection with the merger, First Horizon retained Morgan Stanley & Co. LLC (which we refer to as “Morgan Stanley”) as one of its financial advisors to provide it with financial advisory services in connection with a possible acquisition of Capital Bank Financial, and, if requested by First Horizon, a financial opinion with respect thereto. Morgan Stanley rendered to the First Horizon board of directors at its special meeting on May 3, 2017, its oral opinion, confirmed by delivery of a written opinion dated May 3, 2017, that, as of such date, and based upon and subject to the various assumptions made, procedures followed, matters considered, and qualifications and limitations on the scope of review undertaken by Morgan Stanley as set forth therein, the merger consideration to be paid by First Horizon pursuant to the merger agreement was fair, from a financial point of view, to First Horizon.

**The full text of the written opinion of Morgan Stanley, dated May 3, 2017, is attached as Appendix D and incorporated by reference into this joint proxy statement/prospectus. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion. Shareholders are urged to, and should, read the opinion carefully and in its entirety. Morgan Stanley’s opinion is directed to the First Horizon board of directors and addresses only the fairness, from a financial point of view, to First Horizon of the merger consideration to be paid by First Horizon pursuant to the merger agreement as of the date of the opinion. Morgan Stanley’s opinion does not address any other aspect of the transactions contemplated by the merger agreement and does not constitute a recommendation to shareholders of First Horizon or stockholders of Capital Bank Financial as to how to vote at any shareholders meetings held with respect to the merger or any other matter or whether to take any other action with respect to the merger. In addition, the opinion does not in any manner address the price at which First Horizon common stock will trade following the consummation of the merger or at any time. The summary of Morgan Stanley’s opinion and the methodology that Morgan Stanley used to render its opinion set forth in this joint proxy statement/prospectus under the caption entitled “The Mergers—Opinions of First Horizon’s Financial Advisors—Morgan Stanley & Co. LLC” is qualified in its entirety by reference to the full text of Morgan Stanley’s opinion.**

**Opinion of Capital Bank Financial’s Financial Advisor (page 66 and Annex E)**

At the May 3, 2017 meeting at which Capital Bank Financial’s board of directors considered and approved the merger agreement, Sandler O’Neill & Partners, L.P. (which we refer to as “Sandler O’Neill”) delivered to the Capital Bank Financial board of directors its oral opinion, which was subsequently confirmed in writing on May 3, 2017, to the effect that, as of such date, the merger consideration was fair to the holders of Capital Bank Financial common stock from a financial point of view.

**The full text of Sandler O’Neill’s opinion is attached as Annex E to this joint proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O’Neill in rendering its opinion. Capital Bank Financial common stockholders are urged to read the entire opinion carefully in connection with their consideration of the proposed merger.**

**Sandler O’Neill’s opinion speaks only as of the date of the opinion. The opinion was directed to Capital Bank Financial’s board of directors in connection with its consideration of the merger agreement and the merger and does not constitute a recommendation to any shareholder of Capital Bank Financial as to how any such shareholder should vote at any meeting of shareholders called to consider and vote upon the approval of the merger agreement and the merger or what election to make regarding the per share stock consideration, the per share cash consideration or any combination thereof. Sandler O’Neill’s opinion was directed only to the fairness, from a financial**

point of view, of the merger consideration to the holders of Capital Bank Financial common stock, without regard to differences between Capital Bank Financial Class A common stock and Capital Bank Financial Class B common stock, and did not address the relative fairness of the merger consideration between holders of Capital Bank Financial Class A common stock and holders of Capital Bank Financial Class B common stock, the allocation of the merger consideration between cash and First Horizon common stock or the relative fairness of the per share stock consideration and the per share cash consideration. Sandler O'Neill did not express any opinion as to the fairness of the amount or nature of the compensation to be received in the merger by any officer, director or employee of Capital Bank Financial or First Horizon, or any class of such persons, if any, relative to the compensation to be received in the merger by any other shareholder.

#### **Treatment of Capital Bank Financial Compensatory Equity Awards (page 116)**

*Options.* At the effective time of the merger, each outstanding option to purchase shares of Capital Bank Financial common stock will fully vest (to the extent unvested) and be assumed by First Horizon and converted into an option to purchase a number of shares of First Horizon common stock (rounded down to the nearest whole share) equal to the number of shares of Capital Bank Financial common stock underlying the Capital Bank Financial option multiplied by the exchange ratio, with an exercise price per share (rounded up to the nearest whole cent) equal to the exercise price per share of the Capital Bank Financial stock option divided by the exchange ratio. Except as described in the preceding sentence, each such First Horizon stock option will continue to have the same terms and conditions as applied to the corresponding Capital Bank Financial stock option immediately prior to the effective time of the merger.

*Restricted Stock.* At the effective time of the merger, each outstanding share of restricted stock of Capital Bank Financial will fully vest and be cancelled and converted into the right to receive an amount in cash equal to the per share cash consideration, less applicable tax withholdings.

For further information, see “The Merger Agreement—Treatment of Capital Bank Financial Compensatory Equity Awards.”

#### **Capital Bank Financial Will Hold Its Special Meeting on September 7, 2017 (page 43)**

The Capital Bank Financial special meeting will be held on September 7, 2017 at the DoubleTree Suites by Hilton Hotel, 6300 Morrison Blvd., Charlotte, North Carolina 28211, at 4:00 p.m. local time. At the Capital Bank Financial special meeting of Class A common stockholders, you will be asked to consider and vote upon the following matters:

- the Capital Bank Financial merger proposal;
- the Capital Bank Financial compensation proposal; and
- the Capital Bank Financial adjournment proposal.

Only holders of record of Capital Bank Financial Class A common stock at the close of business on July 24, 2017 (which we refer to as the “Capital Bank Financial record date”) will be entitled to vote at the Capital Bank Financial special meeting. As of the record date, there were 35,456,768 shares of Capital Bank Financial Class A common stock outstanding and entitled to vote at the Capital Bank Financial special meeting, held by approximately 4,442 holders of record. Each share of Capital Bank Financial Class A common stock entitles the holder to one vote at the Capital Bank Financial special meeting on each proposal to be considered at the Capital Bank Financial special meeting.

Each of R. Eugene Taylor, the Chairman and Chief Executive Officer of Capital Bank Financial, who as of the Capital Bank Financial record date had the right to vote approximately 621,253, or approximately 1.75%, of the outstanding shares of Capital Bank Financial Class A common stock, Crestview Partners, which as of the Capital Bank Financial record date had the right to vote approximately 2,583,760, or approximately 7.29%, of the outstanding shares of Capital Bank Financial Class A common stock and Oak Hill Capital Partners, which as of the Capital Bank



Financial record date had the right to vote approximately 2,482,259, or approximately 7%, of the outstanding shares of Capital Bank Financial Class A common stock, has agreed, subject to certain exceptions, to vote his or its shares of Capital Bank Financial Class A common stock in favor of approval of the Capital Bank Financial merger proposal.

For further information, see “The Capital Bank Financial Special Meeting” and “Support Agreements.”

### **First Horizon Will Hold Its Special Meeting on September 7, 2017 (page 49)**

The special meeting of First Horizon shareholders will be held on September 7, 2017 at the M-Level Auditorium, First Tennessee Building, 165 Madison Avenue, Memphis, Tennessee 38103, at 3:00 p.m. local time. At the First Horizon special meeting, First Horizon shareholders will be asked to approve the First Horizon stock issuance proposal and the First Horizon adjournment proposal.

Only holders of record of First Horizon common stock at the close of business on July 24, 2017 (which we refer to as the “First Horizon record date”) are entitled to receive notice of and to vote at the First Horizon special meeting. As of the First Horizon record date, there were 234,145,714 shares of First Horizon common stock outstanding and entitled to vote at the First Horizon special meeting, held by approximately 5,050 holders of record. Each share of First Horizon common stock entitles the holder to one vote at the First Horizon special meeting on each proposal to be considered at the First Horizon special meeting.

For further information, see “The First Horizon Special Meeting.”

### **Capital Bank Special Meeting Proposals: Required Vote; Treatment of Abstentions and Failure to Vote Required; Treatment of Abstentions and Failure to Vote (page 43)**

#### *Capital Bank Financial merger proposal:*

- Standard: Approval of the Capital Bank Financial merger proposal requires the affirmative vote of the holders of at least a majority of the outstanding shares of Capital Bank Financial Class A common stock.
- Effect of abstentions and broker non-votes: If you fail to vote, mark “ABSTAIN” on your proxy, or fail to instruct your bank or broker with respect to the Capital Bank Financial merger proposal, it will have the same effect as a vote “AGAINST” the proposal.

#### *Capital Bank Financial compensation proposal:*

- Standard: Approval of the Capital Bank Financial compensation proposal requires the affirmative vote of the holders of at least a majority of the votes cast at the Capital Bank Financial special meeting.
- Effect of abstentions and broker non-votes: If you mark “ABSTAIN” on your proxy card, fail to submit a proxy card or vote in person at the Capital Bank Financial special meeting, or fail to instruct your bank or broker how to vote with respect to the Capital Bank Financial compensation proposal, you will not be deemed to have cast a vote with respect to the proposal and it will have no effect on the proposal.

#### *Capital Bank Financial adjournment proposal:*

- Standard: Approval of the Capital Bank Financial adjournment proposal requires the affirmative vote of the holders of at least a majority of the votes cast at the Capital Bank Financial special meeting.
- Effect of abstentions and broker non-votes: If you mark “ABSTAIN” on your proxy card, fail to submit a proxy card or vote in person at the Capital Bank Financial special meeting, or fail to instruct your bank or broker how to vote with respect to the Capital Bank Financial adjournment proposal, you will not be deemed to have cast a vote with respect to the proposal and it will have no effect on the proposal.

For further information, see “The Capital Bank Financial Special Meeting—Vote Required; Treatment of Abstentions and Failure to Vote.”

### **First Horizon Special Meeting Proposal: Required Vote; Treatment of Abstentions and Failure to Vote (page 49)**

#### *First Horizon stock issuance proposal:*

- Standard: Approval of the First Horizon stock issuance proposal requires the affirmative vote of the holders of at least a majority of the votes cast at the First Horizon special meeting.
- Effect of abstentions and broker non-votes: If you mark “ABSTAIN” on your proxy card, fail to submit a proxy card or vote in person at the First Horizon special meeting, or fail to instruct your bank or broker how to vote with respect to the First Horizon stock issuance proposal, you will not be deemed to have cast a vote with respect to the proposal and it will have no effect on the proposal.

#### *First Horizon adjournment proposal:*

- Standard: Approval of the First Horizon adjournment proposal requires the affirmative vote of the holders of at least a majority of the votes cast at the First Horizon special meeting.
- Effect of abstentions and broker non-votes: If you mark “ABSTAIN” on your proxy card, fail to submit a proxy card or vote in person at the First Horizon special meeting, or fail to instruct your bank or broker how to vote with respect to the First Horizon adjournment proposal, you will not be deemed to have cast a vote with respect to the proposal and it will have no effect on the proposal.

For further information, see “The First Horizon Special Meeting—Vote Required; Treatment of Abstentions and Failure to Vote.”

### **Material U.S. Federal Income Tax Consequences of the Mergers (page 133)**

The mergers, taken together, are intended to qualify as a “reorganization” within the meaning of Section 368(a) of the Code and it is a condition to the respective obligations of First Horizon and Capital Bank Financial to complete the merger that each of First Horizon and Capital Bank Financial receives a legal opinion to that effect. Assuming the receipt and accuracy of these opinions, the tax consequences of the mergers to U.S. Capital Bank Financial common stockholders are as follows:

- a holder who receives solely cash for shares of Capital Bank Financial common stock will recognize gain or loss equal to the difference between the amount of cash received by a holder of Capital Bank Financial common stock and such holder’s tax basis in such holder’s shares of Capital Bank Financial common stock;
- a holder who receives solely shares of First Horizon common stock (or receives First Horizon common stock and cash solely in lieu of a fractional share) in exchange for shares of Capital Bank Financial common stock generally will not recognize any gain or loss upon the merger, except with respect to the cash received in lieu of fractional share of First Horizon common stock;
- a holder who receives a combination of First Horizon common stock and cash (other than cash received instead of a fractional share of First Horizon common stock) in exchange for shares of Capital Bank Financial common stock generally will recognize gain (but not loss) in an amount equal to the lesser of (1) the amount by which the sum of the fair market value of the First Horizon common stock and cash received by a holder pursuant to the merger exceeds such holder’s tax basis in its shares of Capital Bank Financial common stock, and (2) the amount of cash received by such holder pursuant to the merger (excluding any cash received in lieu of a fractional share of First Horizon common stock, as discussed below).

Gain or loss that Capital Bank Financial common stockholders recognize in connection with the mergers will generally constitute capital gain or loss and will constitute long-term capital gain or loss if such holders have held their Capital Bank Financial common stock for more than one year as of the effective date of the merger.

For more detailed information, please refer to “Material U.S. Federal Income Tax Consequences of the Mergers.”

*The United States federal income tax consequences described above may not apply to all Capital Bank Financial common stockholders. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.*

### **Capital Bank Financial’s Directors and Executive Officers Have Financial Interests in the Merger that Differ from Your Interests (page 96)**

Capital Bank Financial’s Class A common stockholders should be aware that Capital Bank Financial’s directors and executive officers have interests in the merger that are different from, or in addition to, interests of Capital Bank Financial Class A common stockholders generally. These interests include, among others, the treatment of outstanding Capital Bank Financial equity awards pursuant to the merger agreement, certain payments and benefits payable under employment or change in control agreements entered into with executive officers, and rights to ongoing indemnification and insurance coverage by the surviving corporation for acts or omissions occurring prior to the merger. These interests also include First Horizon’s agreement to appoint two then-current directors of Capital Bank Financial to the board of directors of the surviving corporation. The Capital Bank Financial board of directors was aware of and considered those interests, among other matters, in reaching its decisions to approve the merger agreement and the transactions contemplated thereby and to recommend the adoption of the merger agreement to Capital Bank Financial Class A common stockholders.

For a more detailed description of these interests, see “The Mergers—Interests of Capital Bank Financial’s Directors and Executive Officers in the Merger” beginning on page 96.

### **Capital Bank Financial Common Stockholders Are Expected to Be Entitled to Assert Dissenters’ Rights (page 102 and Annex F)**

If the merger agreement is adopted by Capital Bank common shareholders, Capital Bank Financial common stockholders who do not vote in favor of the adoption of the merger agreement and who properly demand appraisal of their shares will be entitled to appraisal rights in connection with the merger under Section 262 of the Delaware General Corporation Law (which we refer to as the “DGCL”).

Specifically, under Section 262 of the DGCL, Capital Bank Financial common stockholders who (1) do not vote in favor of the Capital Bank Financial merger proposal, (2) are the record holders of such shares on the date on which they make a demand for appraisal and continue to hold such shares through the effective time of the merger, and (3) otherwise follow exactly the procedures set forth in Section 262 of the DGCL, will be entitled to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of the “fair value” of such shares, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with interest to be paid upon the amount determined to be fair value, if any, as determined by the Delaware Court of Chancery.

Each Capital Bank Financial common stockholder wishing to exercise the right to seek an appraisal of shares of Capital Bank Financial common stock must deliver to Capital Bank Financial a written demand for appraisal before the vote on the Capital Bank Financial merger proposal at the Capital Bank Financial special meeting and file a petition in the Delaware Court of Chancery requesting a determination of the fair value of the shares within 120 days after the effective time of the merger.

The full text of Section 262 of the DGCL is attached to this joint proxy statement/prospectus as Annex F. In connection with the merger, any holder of shares of Capital Bank Financial common stock who wishes to exercise appraisal rights, or who wishes to preserve such holder's right to do so, should review Annex F carefully. Failure to strictly comply with the requirements of Section 262 of the DGCL in a timely and proper manner will result in the loss of appraisal rights under the DGCL. A stockholder who loses his, her, or its appraisal rights will be entitled to receive the merger consideration described in the merger agreement. Because of the complexity of the procedures for exercising appraisal rights, Capital Bank Financial believes that if a stockholder considers exercising such rights with respect to shares of Capital Bank Financial common stock, such stockholder should seek the advice of legal counsel.

Capital Bank Financial common stockholders considering seeking appraisal should be aware that the fair value of their shares as so determined by the Delaware Court of Chancery could be more than, the same as, or less than the consideration they would receive pursuant to the merger if they did not seek appraisal of their shares and that an opinion of an investment banking firm as to the fairness from a financial point of view of the consideration payable in a merger is not an opinion as to, and does not in any manner address, fair value under Section 262 of the DGCL. Although Capital Bank Financial believes that the merger consideration is fair, no representation is made as to the outcome of the appraisal of fair value as determined by the Delaware Court of Chancery, and stockholders should recognize that such an appraisal could result in a determination of a value higher or lower than, or the same as, the merger consideration. Neither Capital Bank Financial nor First Horizon anticipate offering more than the merger consideration to any stockholder of Capital Bank Financial exercising appraisal rights, and each of Capital Bank Financial and First Horizon reserves the right to assert, in any appraisal proceeding, that for purposes of Section 262 of the DGCL, the "fair value" of a share of Capital Bank Financial common stock is less than the merger consideration.

For more information, see "The Mergers—Dissenters' Rights in the Merger."

#### **Regulatory Approvals Required for the Merger (page 107)**

Subject to the terms of the merger agreement, First Horizon and Capital Bank Financial have agreed to cooperate with each other and use their reasonable best efforts to promptly prepare and file all necessary documentation, to effect all applications, notices, petitions and filings, and to obtain as promptly as practicable all regulatory approvals necessary or advisable to complete the transactions contemplated by the merger agreement. These approvals include, among others, approval from the Federal Reserve Board (which we refer to as the "Federal Reserve") and the Office of the Comptroller of the Currency (which we refer to as the "OCC"). On June 16, 2017, First Horizon and FTBNA, respectively, filed applications and notifications to obtain regulatory approvals from the Federal Reserve and the OCC.

Although neither First Horizon nor Capital Bank Financial knows of any reason why First Horizon cannot obtain these regulatory approvals in a timely manner, Capital Bank Financial and First Horizon cannot be certain when or if they will be obtained. For more information, see "The Mergers—Regulatory Approvals Required for the Merger."

#### **Conditions that Must Be Satisfied or Waived for the Merger to Occur (page 127)**

First Horizon's and Capital Bank Financial's respective obligations to complete the merger are subject to the satisfaction or waiver of certain conditions, including: (1) the approval of the Capital Bank Financial merger proposal; (2) the approval of the First Horizon stock issuance proposal; (3) authorization for listing on the NYSE of the shares of First Horizon common stock to be issued in connection with the merger; (4) effectiveness of the registration statement on Form S-4 of which this joint proxy statement/prospectus is a part; (5) the absence of any order, injunction, decree by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the completion of the merger or the bank merger or making the consummation of the merger illegal; (6) the receipt of all required regulatory approvals and expiration or termination of all

statutory waiting periods in respect thereof; (7) subject to certain exceptions, the accuracy of the representations and warranties of the other party contained in the merger agreement as of the date on which the merger agreement was entered into and as of the date on which the merger is completed (and the receipt by each party of an officer's certificate from the other party to such effect); (8) performance in all material respects by the other party of its obligations under the merger agreement (and the receipt by each party of an officer's certificate from the other party to such effect); and (9) receipt by each of First Horizon and Capital Bank Financial of an opinion from its outside legal counsel to the effect that the mergers, taken together, will qualify as a "reorganization" within the meaning of Section 368(a) of the Code.

Neither First Horizon nor Capital Bank Financial can provide assurance as to when or if all of the conditions to the merger can or will be satisfied or waived by the appropriate party. As of the date of this joint proxy statement/prospectus, neither First Horizon nor Capital Bank Financial has reason to believe that any of these conditions will not be satisfied. For more information, see "The Merger Agreement—Conditions to Complete the Merger."

### **Termination of the Merger Agreement (page 128)**

The merger agreement can be terminated at any time prior to completion of the merger by mutual written consent of First Horizon and Capital Bank Financial or by either First Horizon or Capital Bank Financial in the following circumstances:

- if any governmental entity issues a final and nonappealable denial of approval of the mergers or the bank merger or issues a final and nonappealable order, injunction or decree permanently enjoining or otherwise prohibiting or making illegal the consummation of the mergers or the bank merger, unless the failure to obtain such approval is due to the failure of the party seeking to terminate the merger agreement to perform or observe its covenants and agreements under the merger agreement;
- if the merger has not been completed on or before May 3, 2018 (which we refer to as the "termination date"), unless the failure of the merger to be consummated by that date is due to the failure of the party seeking to terminate the merger agreement to perform or observe its covenants and agreements under the merger agreement; and
- subject to cure rights, if there is a breach of any of the covenants or agreements or any of the representations or warranties (or any such representation or warranty ceases to be true) set forth in the merger agreement on the part of the other party which, either individually or in the aggregate, would constitute, if occurring or continuing on the date the merger is completed, the failure of a closing condition of the terminating party.

In addition, the merger agreement may be terminated by First Horizon if, (x) prior to approval of the Capital Bank Financial merger proposal, Capital Bank Financial or the Capital Bank Financial board of directors effects an adverse recommendation change, or materially breaches its obligations to hold a meeting of its stockholders to adopt and approve the merger agreement or not to solicit alternative acquisition proposals; or (y) a tender offer or exchange offer for 20% or more of the outstanding shares of Capital Bank Financial common stock is commenced, and the Capital Bank Financial board of directors recommends that the stockholders of Capital Bank Financial tender their shares in such tender or exchange offer or otherwise fails to recommend that such stockholders reject such tender offer or exchange offer within the 10 business day period specified in Rule 14e-2(a) under the Exchange Act.

For more information, see "The Merger Agreement—Termination of the Merger Agreement."

### **Termination Fee (page 129)**

If the merger agreement is terminated under certain circumstances, including circumstances involving alternative acquisition proposals and adverse recommendation changes made by the Capital Bank Financial board of directors, Capital Bank Financial may be required to pay to First Horizon a termination fee equal to \$85 million. This termination fee might discourage a potential competing

acquirer that might have an interest in acquiring all or a significant part of Capital Bank Financial from considering or proposing such an acquisition. For more information, see “The Merger Agreement—Termination Fee.”

### **The Rights of Capital Bank Financial Common Stockholders Will Change as a Result of the Mergers (page 146)**

The rights of Capital Bank Financial common stockholders will change as a result of the mergers due to differences in First Horizon’s and Capital Bank Financial’s governing documents. The rights of Capital Bank Financial common stockholders are governed by Delaware law and by the Capital Bank Financial certificate of incorporation and bylaws. Upon the completion of the mergers, Capital Bank Financial common stockholders will become common shareholders of First Horizon, and their rights will therefore be governed by Tennessee law and the First Horizon charter and bylaws.

See “Comparison of Shareholders’ Rights,” for a description of the material differences in shareholders’ rights under each of the First Horizon and Capital Bank Financial governing documents.

### **Information About the Companies (page 54)**

#### *First Horizon*

First Horizon National Corporation  
165 Madison Avenue  
Memphis, Tennessee 38103  
Phone: (901) 523-4444

First Horizon is a Tennessee corporation headquartered in Memphis, Tennessee, with \$29.6 billion in total assets as of March 31, 2017. First Horizon provides diversified financial services primarily through its principal subsidiary, FTBNA, and its other subsidiaries. FTBNA, a national banking association with principal offices in Memphis, Tennessee, received its charter in 1864. First Horizon’s subsidiaries have over 200 business locations in 21 U.S. states, excluding off-premises ATMs. Almost all of those locations are bank financial centers and FTN Financial offices.

First Horizon’s common stock is traded on the NYSE under the symbol “FHN.” Additional information about First Horizon and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus.

For more information, see “Where You Can Find More Information.”

#### *Capital Bank Financial*

Capital Bank Financial Corp.  
4725 Piedmont Row Drive, Suite 110  
Charlotte, NC 28210  
Telephone: (704) 554-5901

Capital Bank Financial is a bank holding company incorporated in late 2009 with the goal of creating a regional banking franchise in the southeastern region of the United States through organic growth and acquisitions of other banks, including failed, underperforming and undercapitalized banks. Capital Bank Financial raised \$955.6 million to make acquisitions through a series of private placements and an initial public offering of its common stock. Since its inception, Capital Bank Financial has acquired eight depository institutions, including certain assets and certain deposits of three failed banks from the FDIC. Capital Bank Financial has integrated its eight acquired institutions and combined them all onto a single scalable processing platform. As of March 31, 2017, Capital Bank Financial operates 193 branches in Florida, North and South Carolina, Tennessee and Virginia. Through its branches, Capital Bank Financial offers a wide range of commercial and consumer loans and deposits, as well as ancillary financial services.

Capital Bank Financial Class A common stock is currently listed on the NASDAQ under the symbol “CBF.” Additional information about Capital Bank Financial and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus.

For more information, see “Where You Can Find More Information.”

#### *Merger Sub*

Firestone Sub, Inc.  
165 Madison Avenue  
Memphis, Tennessee 38103  
Phone: (901) 523-4444

Merger Sub is a Delaware corporation and a direct wholly-owned subsidiary of First Horizon. Merger Sub was incorporated on April 27, 2017, for the sole purpose of effecting the merger. As of the date of this joint proxy statement/prospectus, Merger Sub has not conducted any activities other than those incidental to its formation, the execution of the merger agreement and the transactions contemplated by the merger agreement.

For more information, see “Where You Can Find More Information.”

#### **Litigation Relating to the Merger (page 109)**

On July 14, 2017, a complaint was filed on behalf of a putative class of First Horizon shareholders against First Horizon, its directors, and Capital Bank Financial in the Court of Chancery of Shelby County, Tennessee (30th Judicial District), in connection with the merger. The complaint alleges, among other things, that the First Horizon director defendants breached their fiduciary duties by approving the merger, that Capital Bank Financial aided and abetted such breaches, and that First Horizon, its directors and Capital Bank Financial failed to disclose material information in connection with the merger. For relief the plaintiffs seek to enjoin the shareholder vote on the merger until the alleged disclosure issues are cured and unspecified damages.

In addition, Capital Bank Financial and the individual members of the Capital Bank Financial board of directors have been named as defendants in three substantially similar putative derivative and class action lawsuits filed by alleged shareholders of Capital Bank Financial in the Western District of North Carolina (with one complaint also naming First Horizon and Merger Sub as defendants). The three complaints allege that the registration statement on Form S-4 filed on June 29, 2017 omits and/or misrepresents material information which renders it false and misleading. For relief the plaintiffs seek to enjoin the shareholder vote on the merger until the alleged disclosure issues are cured and unspecified damages.

For more information, see “The Mergers—Litigation Relating to the Merger.”

#### **Risk Factors (page 35)**

You should consider all the information contained in or incorporated by reference into this joint proxy statement/prospectus in deciding how to vote for the proposals presented in this joint proxy statement/prospectus. In particular, you should consider the factors described under “Risk Factors.”

**Use of Non-GAAP Measures and Regulatory Measures that are not GAAP**

Certain measures are included in this joint proxy statement/prospectus that are “non-GAAP,” meaning (under U.S. financial reporting rules) they are not presented in accordance with generally accepted accounting principles (“GAAP”) in the U.S. and also are not codified in U.S. banking regulations currently applicable to First Horizon. Although other entities may use calculation methods that differ from those used by First Horizon for non-GAAP measures, First Horizon’s management believes such measures are relevant to understanding the financial condition, capital position, and financial results of First Horizon and its business segments. Non-GAAP measures are reported to First Horizon’s management and board of directors through various internal reports.

Presentation of regulatory measures, some of which follow regulatory definitions rather than GAAP, provides a meaningful base for comparability to other financial institutions subject to the same regulations as First Horizon. Such measures are used by the various banking regulators in reviewing the performance, stability, and capital adequacy of financial institutions they regulate. 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 used in this joint proxy statement/prospectus is common equity tier 1 ratio, generally defined as common equity less goodwill, other intangibles, and certain other required regulatory deductions divided by risk weighted assets (“RWA”), which is a measure of total on- and off-balance sheet assets adjusted for credit and market risk.

The non-GAAP measure presented in this joint proxy statement/prospectus is tangible common equity (“TCE”) to tangible assets (“TA”).

Refer to the tabular reconciliation of non-GAAP to GAAP measures and presentation of the most comparable GAAP items on page 26 of this joint proxy statement/prospectus.



## SELECTED HISTORICAL FINANCIAL DATA OF FIRST HORIZON

The following table presents selected historical consolidated financial data for First Horizon as of and for the years ended December 31, 2016, 2015, 2014, 2013 and 2012. This information has been derived from First Horizon's audited consolidated financial statements. The historical consolidated financial data as of and for the three months ended March 31, 2017 and 2016 has been derived from First Horizon's unaudited consolidated condensed financial statements.

Financial data as of and for the three months ended March 31, 2017 and 2016 are unaudited (and are not necessarily indicative of the results of operations for the full year or any other interim period). Management of First Horizon believes that such data reflect all adjustments necessary for a fair presentation of its results of operations and financial position as of the dates and for the periods indicated. You should not assume the results of operations for past periods and for the three months ended March 31, 2017 and 2016 indicate results for any future periods.

The following information should be read in conjunction with the historical audited consolidated financial statements of First Horizon and the related notes, including those contained in its Annual Report on Form 10-K for the year ended December 31, 2016 and the historical unaudited consolidated financial statements of First Horizon and the related notes, including those contained in its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017, and the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" for each such Annual Report and Quarterly Report, each of which is incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

<i>(Dollars in millions, except per share data)</i>	As of or for the Three Months Ended March 31, (unaudited)		As of or for the Years ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
Income/(loss) from continuing operations	\$ 58.4	\$ 52.2	\$ 238.5	\$ 97.3	\$ 234.0	\$ 37.8	\$ (15.5)
Income/(loss) from discontinued operations, net of tax	—	—	—	—	—	0.5	0.1
Net Income/(loss)	58.4	52.2	238.5	97.3	234.0	38.4	(15.4)
Income/(loss) available to common shareholders	54.0	47.8	220.8	79.7	216.3	21.1	(26.8)
<b>Common Stock Data</b>							
Earnings/(loss) per common share from continuing operations	\$ 0.23	\$ 0.20	\$ 0.95	\$ 0.34	\$ 0.92	\$ 0.09	\$ (0.11)
Earnings/(loss) per common share	0.23	0.20	0.95	0.34	0.92	0.09	(0.11)
Diluted earnings/(loss) per common share from continuing operations	0.23	0.20	0.94	0.34	0.91	0.09	(0.11)
Diluted earnings/(loss) per common share	0.23	0.20	0.94	0.34	0.91	0.09	(0.11)
Cash dividend declared per common share	0.09	0.07	0.28	0.24	0.20	0.20	0.04
Book value per common share	10.05	9.68	9.90	9.42	9.35	8.87	9.05
Closing price of common stock per share:							
High	20.76	14.19	20.61	16.20	13.91	12.55	10.89
Low	17.90	11.62	11.62	12.31	11.18	9.72	7.55
Year-End	N/A	N/A	20.01	14.52	13.58	11.65	9.91
Cash dividend per common share/year-end closing price	N/A	N/A	1.4%	1.7%	1.5%	1.7%	0.4%
Cash dividends per common share/diluted earnings per common share	39.1%	35.0%	29.8%	70.6%	22.0%	222.2%	(36.4)%
Price/earnings ratio	N/A	N/A	21.3x	42.7x	14.9x	129.4x	NM
Market capitalization	\$ 4,326.8	\$ 3,046.4	\$ 4,674.8	\$ 3,464.3	\$ 3,180.7	\$ 2,753.7	\$ 2,414.1
Average shares (thousands)	233,076	234,651	232,700	234,189	234,997	237,972	248,349
Average diluted shares (thousands)	236,855	236,666	235,292	236,266	236,735	239,794	248,349
Period-end shares outstanding (thousands)	233,883	232,547	233,624	238,587	234,220	236,370	243,598
Volume of shares traded (thousands)	152,689	175,581	574,196	562,553	592,399	787,295	1,221,242



(Dollars in millions, except per share data)	As of or for the Three Months Ended March 31, (unaudited)		As of or for the Years ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
<b>Selected Average Balances</b>							
Total assets	\$28,806.1	\$26,618.7	\$27,427.2	\$25,636.0	\$23,993.0	\$24,399.9	\$25,045.2
Total loans, net of unearned income	18,813.4	17,293.9	18,303.9	16,624.4	15,521.0	15,726.4	16,205.4
Securities available-for-sale	3,922.2	3,977.8	4,002.1	3,692.3	3,548.4	3,180.4	3,145.5
Earnings assets	26,616.3	24,403.6	25,180.1	23,456.2	21,825.2	21,772.0	22,224.8
Total deposits	22,819.3	19,936.8	20,898.8	18,753.7	16,401.7	16,340.2	16,212.0
Total term borrowings	1,039.7	1,310.4	1,130.2	1,557.2	1,591.0	1,942.3	2,323.7
Common equity	2,331.6	2,253.3	2,300.4	2,190.1	2,200.9	2,135.6	2,307.4
Total equity	2,722.7	2,644.4	2,691.5	2,581.2	2,592.0	2,518.8	2,602.5
<b>Selected Period-End Balances</b>							
Total assets	\$29,618.6	\$26,963.7	\$28,555.2	\$26,192.6	\$25,665.4	\$23,782.4	\$25,322.0
Total loans, net of unearned income	19,090.1	17,575.0	19,589.5	17,686.5	16,230.2	15,389.1	16,708.6
Securities available-for-sale	3,939.3	4,014.4	3,943.5	3,929.8	3,556.6	3,398.5	3,061.8
Earnings assets	27,289.8	24,700.0	26,280.2	23,971.5	23,470.9	21,168.4	22,424.8
Total deposits	23,479.8	20,327.8	22,672.4	19,967.5	18,068.9	16,735.0	16,629.7
Total term borrowings	1,035.0	1,323.7	1,040.7	1,312.7	1,877.3	1,737.8	2,223.7
Common equity	2,349.4	2,251.9	2,314.0	2,248.5	2,190.5	2,097.3	2,204.4
Total equity	2,740.5	2,642.9	2,705.1	2,639.6	2,581.6	2,488.4	2,499.5
<b>Selected Ratios</b>							
Return on average common equity <sup>(a)</sup> (d)	9.40%	8.53%	9.60%	3.64%	9.83%	0.99%	(1.16)%
Return on average assets <sup>(b)(d)</sup>	0.82	0.79	0.87	0.38	0.98	0.16	(0.06)
Net interest margin <sup>(c)(d)</sup>	2.92	2.88	2.94	2.83	2.92	2.96	3.13
Allowance for loan losses to loans	1.06	1.16	1.03	1.19	1.43	1.65	1.66
Net charge-offs to average loans <sup>(d)</sup>	NM	0.21	0.10	0.19	0.31	0.50	1.14
Total period-end equity to period-end assets	9.25	9.80	9.47	10.08	10.06	10.46	9.87
Tangible common equity to tangible assets <sup>(e)</sup>	7.27	7.61	7.42	7.82	7.91	8.19	8.14
Common equity tier 1 ratio	10.20	10.33	9.94	10.45	N/A	N/A	N/A
N/A-not applicable							
NM-not meaningful							
<sup>(a)</sup> Calculated using net income/(loss) available to common shareholders divided by average common equity. <sup>(b)</sup> Calculated using net income/(loss) divided by average assets. <sup>(c)</sup> Calculated using total net interest income adjusted for fully taxable equivalent assuming a statutory federal income tax rate of 35 percent and, where applicable, state income taxes. <sup>(d)</sup> For the three months periods presented, each ratio is calculated using annualized year-to-date amounts. <sup>(e)</sup> Represents a non-GAAP measure. Reconciliation to total equity to total assets (GAAP) appears below. Certain numbers may not add to total due to rounding.							

**Non-GAAP to GAAP Reconciliation**

<i>(Dollars in millions)</i>	As of March 31, (unaudited)		As of December 31,				
	2017	2016	2016	2015	2014	2013	2012
(A) Total equity (GAAP)	2,740.5	2,642.9	2,705.1	2,639.6	2,581.6	2,488.4	2,499.5
Less: Noncontrolling interest <sup>(a)</sup>	295.4	295.4	295.4	295.4	295.4	295.4	295.2
Less: Preferred Stock <sup>(a)</sup>	95.6	95.6	95.6	95.6	95.6	95.6	—
Total common equity	2,349.4	2,251.9	2,314.0	2,248.5	2,190.5	2,097.3	2,204.4
Less: Intangible assets (GAAP) <sup>(b)</sup>	211.2	216.2	212.4	217.5	175.5	163.9	156.9
(B) Tangible common equity (Non-GAAP)	2,138.2	2,035.7	2,101.6	2,031.0	2,015.1	1,933.4	2,047.4
(C) Total assets (GAAP)	29,618.6	26,963.7	28,555.2	26,192.6	25,665.4	23,782.4	25,322.0
Less: Intangible assets (GAAP) <sup>(b)</sup>	211.2	216.2	212.4	217.5	175.5	163.9	156.9
(D) Tangible assets (Non-GAAP)	29,407.4	26,747.5	28,342.8	25,975.1	25,490.0	23,618.5	25,165.1
(A)/(C) Total equity to total assets (GAAP)	9.25%	9.80%	9.47%	10.08%	10.06%	10.46%	9.87%
(B)/(D) Tangible common equity to tangible assets (Non-GAAP)	7.27%	7.61%	7.42%	7.82%	7.91%	8.19%	8.14%

<sup>(a)</sup> Included in Total equity on the Consolidated Statements of Condition.

<sup>(b)</sup> Includes goodwill and other intangible assets, net of amortization.

Certain numbers may not add to total due to rounding.

## SELECTED HISTORICAL FINANCIAL DATA OF CAPITAL BANK FINANCIAL

The following table presents selected historical consolidated financial data for Capital Bank Financial as of and for the years ended December 31, 2016, 2015, 2014, 2013 and 2012. This information has been derived from Capital Bank Financial's audited consolidated financial statements. The historical consolidated financial data as of and for the three months ended March 31, 2017 and 2016 has been derived from Capital Bank Financial's unaudited consolidated financial statements.

Financial data as of and for the three months ended March 31, 2017 and 2016 are unaudited (and are not necessarily indicative of the results of operations for the full year or any other interim period). Management of Capital Bank Financial believes that such data reflect all adjustments necessary for a fair presentation of its results of operations and financial position as of the dates and for the periods indicated. You should not assume the results of operations for past periods and for the three months ended March 31, 2017 and 2016 indicate results for any future periods.

The selected historical consolidated financial information in the following tables as of and for the years ended December 31, 2016, 2015, 2014 and 2013, and the three months ended March 31, 2017 and 2016 include Capital Bank Financial's results, including First National Bank, Metro Bank, Turnberry Bank, TIB Financial, Capital Bank Corp., Green Bankshares and Southern Community Financial, as well as the results of CommunityOne subsequent to October 26, 2016. The selected historical consolidated financial information in the following tables as of and for the year ended December 31, 2012 includes Capital Bank Financial's results, including First National Bank, Metro Bank, Turnberry Bank, TIB Financial, Capital Bank Corp., Green Bankshares and Southern Community Financial, subsequent to October 1, 2012.

Because substantially all of Capital Bank Financial's business is composed of acquired operations and because the operations of each acquired business were substantially changed in connection with its acquisition, Capital Bank Financial's results of operations for the year ended December 31, 2012 reflect different operations in different periods (or portions of periods) and therefore cannot be meaningfully compared to later years. In addition, results of operations for these periods reflect, among other things, the acquisition method of accounting. Under the acquisition method of accounting, all of the assets acquired and liabilities assumed were initially recorded on Capital Bank Financial's consolidated balance sheet at their estimated fair values as of the dates of acquisition. These estimated fair values differed substantially from the carrying amounts of the assets acquired and liabilities assumed as reflected in the financial statements of First National Bank, Metro Bank, Turnberry Bank, TIB Financial, Capital Bank Corp., Green Bankshares, Southern Community Financial and CommunityOne.

The following information should be read in conjunction with the historical audited consolidated financial statements of Capital Bank Financial and the related notes, including those contained in its Annual Report on Form 10-K for the year ended December 31, 2016 and the historical unaudited consolidated financial statements of Capital Bank Financial and the related notes, including those contained in its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017, and the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" for each such Annual Report and Quarterly Report, each of which is incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

	As of or for the Quarter Ended (unaudited)		As of or for the Year Ended				
	March 31, 2017	March 31, 2016	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
<i>(Dollars in thousands)</i>							
<b>Summary Results of Operations</b>							
Interest and dividend income	\$ 92,937	\$ 69,472	\$ 297,726	\$ 271,628	\$ 270,782	\$ 293,756	\$ 294,280
Interest expense	10,821	8,105	34,398	27,499	24,722	30,181	39,056
Net interest income	82,116	61,367	263,328	244,129	246,060	263,575	255,224
Provision (reversal) for loan and lease losses	3,392	1,375	5,113	2,346	(589)	14,118	24,491
Net interest income after provision for loan and lease losses	78,724	59,992	258,215	241,783	246,649	249,457	230,733
Non-interest income	15,852	2,566	43,874	42,298	43,807	52,966	62,708
Non-interest expense	62,703	46,938	212,998	198,251	208,847	236,209	259,958
Income before income taxes	31,873	15,620	89,091	85,830	81,609	66,214	33,483
Income tax expense (benefit)	10,990	5,780	30,927	31,109	30,691	27,370	(21,542)
Net income before attribution of noncontrolling interests	20,883	9,840	58,164	54,721	50,918	38,844	55,025
Net income attributable to noncontrolling interests	—	—	—	—	—	—	4,534
<b>Net income attributable to Capital Bank Financial Corp.</b>	<b>\$ 20,883</b>	<b>\$ 9,840</b>	<b>\$ 58,164</b>	<b>\$ 54,721</b>	<b>\$ 50,918</b>	<b>\$ 38,844</b>	<b>\$ 50,491</b>
<b>Earnings per share:</b>							
Basic	\$ 0.40	\$ 0.23	\$ 1.30	\$ 1.21	\$ 1.05	\$ 0.74	\$ 1.06
Diluted	\$ 0.39	\$ 0.22	\$ 1.28	\$ 1.18	\$ 1.02	\$ 0.73	\$ 1.04
<b>Summary Balance Sheet Data</b>							
Cash and cash equivalents	\$ 160,547	\$ 182,020	\$ 309,055	\$ 144,696	\$ 188,135	\$ 164,441	\$ 734,874
Investment securities	1,604,666	1,127,826	1,380,000	1,112,847	995,265	1,156,887	1,006,744
Loans held for sale	4,980	8,070	12,874	10,569	5,516	8,012	11,276
Loans receivable:							
Non-covered by FDIC loss sharing agreements	7,506,975	5,626,887	7,393,318	5,548,645	4,797,056	4,258,661	4,324,204
Covered by FDIC loss sharing agreements	—	—	—	73,502	197,647	285,356	400,010
Less: Allowance for loan and lease losses	43,891	45,263	43,065	45,034	50,211	56,851	57,262
Loans, net	7,463,084	5,581,624	7,350,253	5,577,113	4,944,492	4,487,166	4,666,952
Other real estate owned	51,050	48,505	53,482	52,776	77,626	129,396	154,093
FDIC indemnification asset	—	—	—	6,725	16,762	33,610	49,417
Receivable from FDIC	—	—	—	678	3,661	7,624	8,486
Goodwill and intangible assets, net	265,711	148,688	268,870	149,622	153,419	155,352	160,623
Other assets	548,004	383,065	556,123	394,453	446,534	475,073	514,488
<b>Total Assets</b>	<b>\$ 10,098,042</b>	<b>\$ 7,479,798</b>	<b>\$ 9,930,657</b>	<b>\$ 7,449,479</b>	<b>\$ 6,831,410</b>	<b>\$ 6,617,561</b>	<b>\$ 7,306,953</b>
Deposits	8,092,607	5,939,733	7,880,628	5,860,210	5,255,100	5,185,063	5,872,868
Federal Home Loan Bank advances	490,650	400,849	545,701	460,898	296,091	96,278	1,460
Borrowings	138,397	102,528	135,613	98,187	163,088	163,411	221,938
Accrued expenses and other liabilities	68,457	39,695	76,668	43,919	53,557	60,021	55,344
Total liabilities	8,790,111	6,482,805	8,638,610	6,463,214	5,767,836	5,504,773	6,151,610
Total shareholders' equity	1,307,931	996,993	1,292,047	986,265	1,063,574	1,112,788	1,155,343
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 10,098,042</b>	<b>\$ 7,479,798</b>	<b>\$ 9,930,657</b>	<b>\$ 7,449,479</b>	<b>\$ 6,831,410</b>	<b>\$ 6,617,561</b>	<b>\$ 7,306,953</b>



<i>(Dollars in thousands)</i> <b>Performance Ratios</b>	<b>As of or for the Quarter Ended (unaudited)</b>		<b>As of or for the Year Ended December 31,</b>				
	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Interest rate spread	3.58%	3.50%	3.49%	3.71%	4.09%	4.27%	4.27%
Net interest margin	3.73%	3.64%	3.63%	3.85%	4.21%	4.40%	4.42%
Return on average assets	0.84%	0.53%	0.73%	0.78%	0.77%	0.57%	0.83%
Return on average shareholders' equity	6.43%	3.96%	5.46%	5.25%	4.70%	3.43%	5.25%
Return on average assets attributable to CBF	0.84%	0.53%	0.73%	0.78%	0.77%	0.57%	0.76%
Return on average shareholders' equity attributable to CBF	6.43%	3.96%	5.46%	5.25%	4.70%	3.43%	4.82%
Efficiency ratio	64.00%	73.42%	69.33%	69.22%	72.05%	74.62%	81.77%
Average interest-earning assets to average interest-bearing liabilities	129.53%	129.54%	130.58%	131.69%	131.10%	126.44%	122.30%
Average loans receivable to average deposits	93.41%	95.66%	96.21%	95.59%	90.92%	83.44%	82.72%
Yield on interest-earning assets	4.21%	4.11%	4.10%	4.28%	4.64%	4.91%	5.09%
Cost of interest-bearing liabilities	0.63%	0.62%	0.61%	0.57%	0.55%	0.64%	0.82%
<b>Asset and Credit Quality Ratios-Total Loans</b>							
Non-accrual loans	\$ 13,608	\$ 8,526	\$ 11,449	\$ 8,945	\$ 9,484	\$ 11,810	\$ 14,011
Nonperforming loans	\$ 57,969	\$ 56,041	\$ 63,667	\$ 59,194	\$ 121,137	\$ 253,816	\$ 352,070
Nonperforming loans to loans receivable	0.95%	1.15%	1.01%	1.21%	2.61%	5.84%	7.73%
Nonperforming assets to total assets	1.22%	1.51%	1.30%	1.63%	3.05%	5.98%	7.13%
Loans covered by FDIC loss sharing agreements to total gross loans	—%	—%	—%	1.30%	3.95%	6.27%	8.45%
ALLL to nonperforming assets	35.73%	39.97%	33.45%	37.13%	24.09%	14.36%	11.00%
ALLL to total gross loans	0.58%	0.80%	0.58%	0.80%	1.00%	1.25%	1.21%
Net charge-offs to average loans	0.14%	0.08%	0.12%	0.14%	0.13%	0.32%	0.05%
<b>Capital Ratios</b>							
Total average shareholders' equity to total average assets	13.11%	13.35%	13.37%	14.81%	16.36%	16.52%	15.84%
Tier 1 leverage ratio	11.63%	12.49%	12.22%	12.67%	14.28%	14.95%	13.65%
Tier 1 common equity capital ratio	12.20%	13.38%	12.40%	13.63%	N/A	N/A	N/A
Tier 1 risk-based capital ratio	13.45%	14.58%	13.49%	14.73%	18.00%	19.74%	19.92%
Total risk-based capital ratio	13.98%	15.32%	14.02%	15.47%	19.05%	21.00%	21.18%



## UNAUDITED SELECTED PRO FORMA COMBINED FINANCIAL INFORMATION

The following table shows unaudited pro forma financial information about the financial condition and results of operations, including per share data, after giving effect to the merger between First Horizon and Capital Bank Financial as well as the purchase of assets and assumption of liabilities of Coastal Securities ("Coastal") by First Horizon and other pro forma adjustments. The unaudited pro forma financial information assumes that the Capital Bank Financial merger and the Coastal purchase are accounted for under the acquisition method of accounting, and the assets and liabilities of Capital Bank Financial and Coastal will generally be recorded by First Horizon at their respective fair values as of the date the transactions were or are (as applicable) completed. The unaudited pro forma condensed combined balance sheet gives effect to the transactions as if the transactions had occurred on March 31, 2017. The unaudited pro forma condensed combined income statements for the three months ended March 31, 2017, and the year ended December 31, 2016, give effect to the transactions as if the transactions had become effective at January 1, 2016. The unaudited selected pro forma combined financial information has been derived from and should be read in conjunction with the consolidated financial statements and related notes of First Horizon, which are incorporated in this joint proxy statement/prospectus by reference, the consolidated financial statements and related notes of Capital Bank Financial, which are incorporated in this joint proxy statement/prospectus by reference, and the more detailed unaudited pro forma condensed combined financial information, including the notes thereto, appearing elsewhere in this joint proxy statement/prospectus. See "Where You Can Find More Information" and "Unaudited Pro Forma Condensed Combined Consolidated Financial Information" beginning on page 164 and 136.

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not indicate the financial results of the combined company had the companies actually been combined at the beginning of each period presented, nor the impact of possible business model changes. The unaudited pro forma condensed combined financial information also does not consider any potential effects of changes in market conditions on revenues, expense efficiencies, asset dispositions, and share repurchases, among other factors, including those discussed in the section entitled "Risk Factors" beginning on page 35. In addition, as explained in more detail in the accompanying notes to the "Unaudited Pro Forma Condensed Combined Consolidated Financial Information" beginning on page 136, the preliminary allocation of the pro forma purchase prices reflected in the unaudited pro forma condensed combined financial information are subject to adjustment and may vary significantly from the actual purchase price allocations that will be recorded upon completion of the merger and asset purchase.

<i>(Dollars in thousands)</i>	<b>Three Months Ended March 31, 2017</b>	<b>Year Ended December 31, 2016</b>
<b>Statements of Income</b>		
Net interest income	\$ 276,458	\$ 1,014,357
Provision for loan losses	2,392	16,113
Net interest income after provision for loan losses	274,066	998,244
Noninterest income	145,050	638,493
Noninterest expense	298,884	1,197,791
Income from continuing operations before income taxes	120,232	438,946
Income taxes	39,160	139,472
Income from continuing operations	<u>\$ 81,072</u>	<u>\$ 299,474</u>
		<b>As of March 31, 2017</b>
<b>Balance Sheet</b>		
Investment securities		\$ 5,555,158
Loans, net of unearned income		26,497,122
Total assets		40,381,149
Deposits		31,559,365
Term borrowings		1,210,636
Shareholders' equity		4,050,823

## UNAUDITED COMPARATIVE PER COMMON SHARE DATA

The following table sets forth the basic earnings, diluted earnings, cash dividend, and book value per common share data for First Horizon and Capital Bank Financial on a historical basis and on a pro forma combined basis (inclusive of the pro forma impact of the Coastal purchase), for the three months ended March 31, 2017, and the basic earnings, diluted earnings and cash dividend per common share for the year ended December 31, 2016. The unaudited pro forma data was derived by combining the historical financial information of First Horizon, Coastal, and Capital Bank Financial using the acquisition method of accounting for business combinations, assumes the transactions are completed as contemplated and represents current estimates based on available information of the combined company's results of operations. The unaudited pro forma data and equivalent per share information gives effect to the transactions as if the transactions had been effective on the dates presented in the case of the book value data, and as if the transactions had become effective on January 1, 2016, in the case of the earnings per share and dividends declared data. The pro forma financial adjustments record the assets and liabilities of Capital Bank Financial and Coastal at their estimated fair values and are subject to adjustment as additional information becomes available and as additional analysis is performed.

The unaudited pro forma data below should be read in conjunction with First Horizon's and Capital Bank Financial's audited financial statements for the year ended December 31, 2016 and their respective unaudited financial statements for the three months ended March 31, 2017. This information is presented for illustrative purposes only. You should not rely on the unaudited pro forma data or equivalent amounts presented below as they are not necessarily indicative of the operating results or financial position that would have occurred if the merger had been completed as of the dates indicated, nor are they necessarily indicative of the future operating results or financial position of the combined company. The pro forma information, although helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings, opportunities to earn additional revenue, the impact of merger and integration-related costs, or other factors that may result as a consequence of the merger and, accordingly, does not attempt to predict or suggest future results. The information below should be read in conjunction with "Unaudited Pro Forma Condensed Combined Consolidated Financial Information" beginning on page 136.

	First Horizon (As reported)	Pro Forma First Horizon including Coastal <sup>(a)</sup>	Capital Bank Financial (As reported)	Pro Forma First Horizon including Coastal and Capital Bank Financial <sup>(a)</sup>	Per Equivalent Capital Bank Financial Share <sup>(b)</sup>
<b>For the Three Months Ended March 31, 2017:</b>					
Basic earnings per share from continuing operations	\$ 0.23	\$ 0.25	\$ 0.40	\$ 0.24	\$ 0.42
Diluted earnings per share from continuing operations	0.23	0.24	0.39	0.23	0.40
Cash dividends <sup>(c)</sup>	0.09	0.09	0.12	0.09	0.16
Book value at March 31, 2017 <sup>(d)</sup>	10.45	10.45	25.17	12.49	21.86
<b>For the Year Ended December 31, 2016:</b>					
Basic earnings per share from continuing operations	\$ 0.95	\$ 1.00	\$ 1.30	\$ 0.87	\$ 1.52
Diluted earnings per share from continuing operations	0.94	0.99	1.28	0.86	1.51
Cash dividends <sup>(c)</sup>	0.28	0.28	0.42	0.28	0.49

<sup>(a)</sup> Pro forma earnings per share are based on pro forma combined net income and pro forma combined weighted average common shares outstanding at the end of the period.

<sup>(b)</sup> Pro forma per equivalent Capital Bank Financial share information is calculated based on pro forma combined information multiplied by the applicable exchange ratio of 1.75.

<sup>(c)</sup> Pro forma dividends per share represents First Horizon's historical dividends per share.

<sup>(d)</sup> Book value per common share is calculated based on pro forma combined equity and pro forma combined common shares outstanding at the end of the period.



### COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION

The table below sets forth, for the calendar quarter indicated, the high and low reported sales prices, as well as the dividend paid, per share of First Horizon common stock, which trades on the NYSE under the symbol “FHN,” and per share of Capital Bank Financial Class A common stock, which trades on the NASDAQ under the symbol “CBF.”

	First Horizon Common Stock			Capital Bank Financial Class A Common Stock		
	High	Low	Dividend	High	Low	Dividend
<b>2015</b>						
First Quarter	\$ 14.86	\$ 12.17	\$ 0.06	\$ 28.33	\$ 23.41	\$ —
Second Quarter	16.00	13.95	0.06	30.50	26.65	—
Third Quarter	16.35	13.28	0.06	32.60	27.92	—
Fourth Quarter	15.47	11.97	0.06	35.95	28.73	0.10
<b>2016</b>						
First Quarter	\$ 14.27	\$ 11.51	\$ 0.07	\$ 31.98	\$ 27.12	\$ 0.10
Second Quarter	14.77	12.46	0.07	32.24	28.28	0.10
Third Quarter	15.50	12.86	0.07	32.31	27.71	0.10
Fourth Quarter	20.76	14.60	0.07	40.00	29.22	0.12
<b>2017</b>						
First Quarter	\$ 20.84	\$ 17.36	\$ 0.09	\$ 45.00	\$ 37.60	\$ 0.12
Second Quarter	\$ 19.21	\$ 16.64	\$ 0.09	\$ 43.40	\$ 36.65	\$ 0.12

The following table shows the closing sale prices of First Horizon common stock and Capital Bank Financial Class A common stock as reported on the NYSE and NASDAQ, respectively, on March 14, 2017, the last full trading day before rumors of a transaction by Capital Bank Financial were reported by Bloomberg, on May 3, 2017, the last full trading day before the public announcement of the signing of the merger agreement, and on July 25, 2017, the last trading day before the date of this joint proxy statement/prospectus for which it was practicable to obtain information. The table also shows the implied value of the merger consideration payable for each share of Capital Bank Financial common stock on March 14, 2017, May 3, 2017 and July 25, 2017.

	First Horizon Common Stock	Capital Bank Financial Common Stock	Implied Value of One Share of Capital Bank Financial Common Stock <sup>(1)</sup>
March 14, 2017	\$ 19.34	\$ 40.90	\$ 41.75
May 3, 2017	\$ 18.82	\$ 42.05	\$ 40.84
July 25, 2017	\$ 18.06	\$ 39.10	\$ 39.51

<sup>(1)</sup> Calculated by multiplying the First Horizon share closing price by 1.75 and adding \$7.90 in cash. See “The Merger Agreement—Merger Consideration.”

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus contains certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to our 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. The words “believe,” “expect,” “anticipate,” “intend,” “estimate,” “should,” “is likely,” “will,” “going forward,” and other expressions that indicate future events and trends identify such forward-looking statements.

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 the control of First Horizon and Capital Bank Financial, and many of which, with respect to future business decisions and actions, are subject to change. Examples of uncertainties and contingencies include, among other important factors:

- the possibility that the proposed mergers will not close when expected or at all because required regulatory, shareholder or other approvals are not received or other conditions to the closing are not satisfied on a timely basis or at all, including the emergence of compliance issues at First Horizon or Capital Bank Financial that could delay or preclude regulatory approval;
- the possibility that the anticipated benefits of the transaction will not be realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the state of the economy and competitive factors in the areas where First Horizon and Capital Bank Financial do business;
- potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the transaction;
- the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events;
- diversion of management’s attention from ongoing business operations and opportunities;
- First Horizon’s potential exposure to unknown or contingent liabilities of Capital Bank Financial;
- changes in First Horizon’s stock price before closing, including as a result of the financial performance of Capital Bank Financial;
- the outcome of pending or threatened litigation, or of matters before regulatory agencies, whether currently existing or commencing in the future, including litigation related to the merger;
- global, general, and local economic and business conditions, including economic recession or depression;
- expectations of and actual timing and amount of interest rate movements, including the slope and shape of the yield curve, which can have a significant impact on a financial services institution;
- market and monetary fluctuations, including fluctuations in mortgage markets;
- inflation or deflation;
- demand for First Horizon’s and Capital Bank Financial’s product offerings;
- the actions of the SEC, the Financial Accounting Standards Board (FASB), the OCC, the Federal Reserve Board, the Federal Deposit Insurance Corporation (FDIC), the Financial Industry Regulatory Authority (FINRA), the U.S. Department of the Treasury (Treasury), the Municipal Securities Rulemaking Board (MSRB), the Consumer Financial Protection Bureau (CFPB), the Financial Stability Oversight Council (Council), the Public Company Accounting Oversight Board (PCAOB), and other regulators and agencies, including in connection with the regulatory approval process associated with the merger;

- pending, threatened, or possible future regulatory, administrative, and judicial outcomes, actions, and proceedings;
- current or future Executive Orders;
- changes in laws and regulations applicable to First Horizon and Capital Bank Financial;
- First Horizon's and Capital Bank Financial's success in executing their respective business plans and strategies and managing the risks involved in the foregoing;
- customer, investor, competitor, regulatory, and legislative responses to any or all of these conditions; and
- other factors that may affect future results of First Horizon and Capital Bank, including factors previously disclosed in First Horizon's and Capital Bank Financial's reports filed with the SEC.

For any forward-looking statements made in this joint proxy statement/prospectus or in any documents incorporated by reference into this joint proxy statement/prospectus, First Horizon and Capital Bank Financial claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this joint proxy statement/prospectus or the date of the applicable document incorporated by reference into this joint proxy statement/prospectus. Except to the extent required by applicable law, neither First Horizon nor Capital Bank Financial undertakes to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made. All written and oral forward-looking statements concerning the mergers or other matters addressed in this joint proxy statement/prospectus are expressly qualified in their entirety by the cautionary statements contained or referred to in this joint proxy statement/prospectus.

## RISK FACTORS

*In addition to general investment risks and the other information contained or incorporated by reference in this joint proxy statement/prospectus, including First Horizon's Annual Report on Form 10-K for the year ended December 31, 2016 and Capital Bank Financial's Annual Report on Form 10-K for the year ended December 31, 2016 as well as the matters addressed under the section "Cautionary Statement Regarding Forward-Looking Statements," First Horizon and Capital Bank Financial shareholders should carefully consider the following risk factors in deciding how to vote for the proposals presented in this joint proxy statement/prospectus. You should also consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."*

*Additional risks and uncertainties not presently known to First Horizon or Capital Bank Financial or that are not currently believed to be important to their respective shareholders, if they materialize, also may adversely affect the mergers and First Horizon as the surviving entity of the mergers.*

### **Risks Related to the Mergers and First Horizon's Business Upon Completion of the Mergers**

***The price of First Horizon common stock might increase or decline prior to the completion of the merger, which could change the merger consideration and value of the stock consideration to be received by Capital Bank Financial common stockholders pursuant to the merger agreement. Further, at the First Horizon and Capital Bank Financial special meetings, neither First Horizon shareholders nor Capital Bank Financial Class A common stockholders will know the exact value of First Horizon common stock that will determine the merger consideration and that will be issued as stock consideration.***

In the merger, each outstanding share of Capital Bank Financial common stock (except for specified shares of Capital Bank Financial common stock held by Capital Bank Financial or First Horizon and shares of Capital Bank Financial common stock held by shareholders who properly exercise dissenters' rights) will be converted into the right to receive, either (i) an amount in cash equal to the sum of (A) \$7.90 plus (B) the product of 1.75 multiplied by the First Horizon share closing price, or (ii) the number of shares of First Horizon common stock equal to the quotient of (A) the per share cash consideration divided by (B) the First Horizon share closing price, in each case at the election of the applicable Capital Bank Financial common stockholder, subject to procedures applicable to oversubscription and undersubscription for cash consideration.

The market price of First Horizon common stock at the time the merger is completed may vary significantly from the price on the date of the merger agreement, on the date this joint proxy statement/prospectus is mailed to Capital Bank Financial common stockholders, on the respective dates of the First Horizon special meeting and Capital Bank Financial special meeting, the election deadline by which Capital Bank Financial shareholders may elect to receive the cash consideration or the stock consideration and the date the merger is completed. Because the merger consideration includes a component based on the First Horizon share closing price, any changes in the market price of First Horizon common stock will have a corresponding effect on the amount of per share cash consideration. In addition, any change in the market price of First Horizon common stock prior to the completion of the merger will affect the value of the stock consideration, and there will be no adjustment to the merger consideration for changes in the market price of either shares of First Horizon common stock or shares of Capital Bank Financial common stock. See "Comparative Per Share Market Price and Dividend Information" for information about the prices of First Horizon common stock in prior periods.

In addition, because the date when the proposed mergers will be completed will be later than the date of the First Horizon and Capital Bank Financial special meetings, neither First Horizon shareholders nor Capital Bank Financial Class A common stockholders will know at the time they vote in the applicable special meeting the exact value of the First Horizon common stock that will determine the merger consideration and be issued as stock consideration. Accordingly, if the First Horizon share closing price is lower than the market price of First Horizon common stock on the date of the Capital Bank Financial special meeting, the merger consideration will be lower than

what the merger consideration would have been at the time the Capital Bank Financial Class A common stockholders vote on the merger agreement proposal.

Stock price changes may result from a variety of factors that are beyond the control of First Horizon and Capital Bank Financial, including general market and economic conditions, regulatory considerations, changes in the industry, changes in First Horizon's and Capital Bank Financial's respective businesses, operations and prospects and market sentiment regarding banks generally and First Horizon's entry into the merger agreement in particular. These factors may include:

- operating results that vary from the expectations of First Horizon management or of securities analysts and investors;
- developments in First Horizon's business or in the financial services sector generally;
- regulatory or legislative changes affecting First Horizon's industry generally, including tax reform, or its business and operations or investor expectations regarding those changes;
- operating and securities price performance of companies that investors consider to be comparable to First Horizon;
- changes in estimates or recommendations by securities analysts or rating agencies;
- announcements of strategic developments, acquisitions, dispositions, financings, and other material events by First Horizon or its competitors; and
- changes in global financial markets and economies and general market conditions, such as interest or foreign exchange rates, stock, commodity, credit or asset valuations or volatility.

Holders are urged to obtain current market quotations for shares of First Horizon common stock and for shares of Capital Bank common stock.

***The market price of First Horizon common stock after the mergers may be affected by factors different from those affecting the Capital Bank Financial common stock or First Horizon common stock currently.***

Upon completion of the merger, Capital Bank Financial common stockholders who receive the stock consideration (either because they elect to receive stock consideration or because of proration) will become holders of First Horizon common stock. First Horizon's business differs from that of Capital Bank Financial and, accordingly, the results of operations of First Horizon and the market price of First Horizon common stock after the completion of the mergers may be affected by factors different from those currently affecting the independent results of operations of each of First Horizon and Capital Bank Financial. For example, the effects of changes in the economic and interest rate environment on the operating results of First Horizon's fixed income business could differ significantly from the effects of such changes on Capital Bank Financial's (or First Horizon's) traditional banking businesses. For a discussion of the businesses of First Horizon and Capital Bank Financial and of some important factors to consider in connection with those businesses, see the documents incorporated by reference into this joint proxy statement/prospectus and referred to under "Where You Can Find More Information."

***Capital Bank Financial common stockholders may receive a form of merger consideration different from what they elect.***

Although each Capital Bank Financial common stockholder may elect to receive either the cash consideration or the stock consideration in the merger, the aggregate amount of cash consideration will be fixed and equal \$410,535,300. Accordingly, depending on the elections made by other Capital Bank Financial common stockholders, a Capital Bank Financial common stockholder might receive a portion of the merger consideration in the form such holder did not elect. See "The Merger Agreement—Merger Consideration."

If a Capital Bank Financial common stockholder does not submit a properly completed and signed form of election to the exchange agent by the election deadline, then such holder will have no control over the type of merger consideration such holder may receive. Generally, in the event



one form of merger consideration is undersubscribed, shares of Capital Bank Financial common stock for which no election has been validly made will be allocated to that form of merger consideration before shares of Capital Bank Financial common stock electing the oversubscribed form of merger consideration will be allocated the undersubscribed form of merger consideration pursuant to the proration and adjustment procedures set forth in the merger agreement. Accordingly, while electing one form of merger consideration will not guarantee a Capital Bank Financial common stockholder will receive that form of merger consideration for all of such holder's shares of Capital Bank Financial common stock, in the event proration is necessary, electing shares will have a priority over "non-election" shares.

No fractional shares of First Horizon common stock will be issued in the merger, and Capital Bank Financial common stockholders will receive cash in lieu of any fractional shares of First Horizon common stock.

***If you deliver shares of Capital Bank Financial common stock to make an election, you will not be able to sell those shares unless you revoke your election prior to the election deadline.***

If you are a holder of Capital Bank Financial common stock and want to elect to receive the cash consideration or stock consideration in the merger, you will have to deliver your stock certificate(s), if any, and a properly completed form of election by the election deadline. Following the delivery of a completed form of election, you will not be able to transfer such shares unless you revoke your election before the election deadline by providing written notice to the exchange agent. If you do not revoke your election before the election deadline, you will not be able to liquidate your investment in Capital Bank Financial common stock for any reason until you receive the merger consideration. In the time between the election deadline and the closing of the merger, the trading price of First Horizon common stock or Capital Bank Financial common stock may decrease, and you might otherwise want to sell your shares of Capital Bank Financial common stock to gain access to cash, make other investments, or reduce the potential for a decrease in the value of your investment. The date that you will receive your merger consideration depends on the completion date of the merger, which is uncertain. The completion date of the merger might be later than expected due to events not within the control of First Horizon or Capital Bank Financial, such as delays in obtaining regulatory approvals.

***Regulatory approvals may not be received, may take longer than expected, or may impose conditions that are not presently anticipated or that could have an adverse effect on First Horizon following the mergers.***

Before the mergers and the bank merger may be completed, First Horizon and Capital Bank Financial must obtain approvals from the Federal Reserve and the OCC. Other approvals, waivers, or consents from regulators may also be required. In determining whether to grant these approvals, the relevant governmental entities consider a variety of factors, including the regulatory standing of each party, the effect of the mergers and the bank merger on competition and the factors described under "The Mergers—Regulatory Approvals Required for the Merger." An adverse development in either party's regulatory standing or these factors could result in an inability to obtain approval or delay receipt of approval. The relevant governmental entities may impose conditions, limitations, obligations or restrictions on the conduct of First Horizon's business following the mergers or require branch divestitures. There can be no assurance that relevant government entities will not impose conditions, limitations, obligations or restrictions and that such conditions, limitations, obligations or restrictions will not have the effect of delaying the completion of the mergers or the bank merger, or reduce the anticipated benefits of the mergers or the bank merger. Additionally, the completion of the mergers and the bank merger is conditioned on the absence of certain orders, injunctions or decrees by any court or regulatory agency of competent jurisdiction that would prohibit or make illegal the completion of the mergers or bank merger.

The processing time for obtaining regulatory approvals for bank mergers, particularly for larger institutions and protested applications, has increased since the financial crisis.

In a recent approval order, the Federal Reserve has stated that if material weaknesses or other significant issues are identified by examiners during processing of an application, a banking organization will be required to withdraw its application pending resolution of any related supervisory concerns. Accordingly, if there is an adverse development in either party's regulatory standing, First Horizon may be required to withdraw the application for approval of the proposed mergers and, if possible, resubmit it after the applicable supervisory concerns have been resolved. In such an event, it may not be possible to obtain regulatory approval before May 3, 2018, which is the termination date of the merger. See "The Mergers—Regulatory Approvals Required for the Merger" and "The Merger Agreement—Termination of the Merger Agreement."

***The success of the mergers and the bank merger and integration of First Horizon and Capital Bank Financial will depend on a number of uncertain factors.***

The success of the mergers and the bank merger will depend on a number of factors, including, without limitation:

- First Horizon's ability to integrate the business acquired from Capital Bank Sub in the merger (which we refer to as the "acquired business") into FTBNA's current operations;
- First Horizon's ability to limit the outflow of deposits held by its new customers in the acquired business and to successfully retain and manage interest-earning assets and relationships (i.e., loans) acquired in the mergers;
- First Horizon's ability to control the incremental non-interest expense from the acquired business in a manner that enables it to maintain a favorable overall efficiency ratio;
- First Horizon's ability to retain and attract the key employees and other personnel of Capital Bank Financial;
- First Horizon's ability to earn acceptable levels of interest and non-interest income, including fee income, from the acquired business; and
- First Horizon's ability to retain the customer relationships from the acquired business.

Integrating the acquired business will be an operation of substantial scope and expense, and may be affected by general market and economic conditions or government actions affecting the financial industry generally. Integration efforts will also divert First Horizon's management's attention and resources for a time. No assurance can be given that First Horizon will be able to integrate the acquired business successfully. First Horizon may also encounter unexpected difficulties or costs during the integration that could adversely affect its earnings and financial condition, perhaps materially. Additionally, no assurance can be given that the operation of the acquired business will not adversely affect First Horizon's existing profitability, that First Horizon will be able to achieve results in the future similar to those achieved by its existing banking business, or that First Horizon will be able to manage any growth resulting from the mergers effectively.

***Combining First Horizon and Capital Bank Financial may be more difficult, costly or time consuming than expected and the anticipated benefits and cost savings of the mergers and the bank merger may not be realized.***

First Horizon and Capital Bank Financial have operated and, until the completion of the mergers, will continue to operate, independently. The success of the mergers and the bank merger, including anticipated benefits and cost savings, will depend, in part, on First Horizon's ability to successfully combine and integrate the businesses of First Horizon and Capital Bank Financial. It is possible that the integration process could result in the loss of key employees, the disruption of either company's ongoing businesses, or inconsistencies in standards, controls, procedures, and policies that adversely affect the combined company's ability to maintain relationships with clients, customers, depositors, and employees or to achieve the anticipated benefits and cost savings of the mergers and the bank merger. The loss of key employees could adversely affect First Horizon's ability to successfully conduct its business, which could have an adverse effect on First Horizon's financial results and the value of its common stock. If First Horizon experiences difficulties with the

integration process and attendant systems conversion, the anticipated benefits of the mergers and the bank merger may not be realized fully or at all, or may take longer to realize than expected. As with any merger of financial institutions, there also may be business disruptions that cause First Horizon and/or Capital Bank Financial to lose customers or cause customers to remove their accounts from First Horizon and/or Capital Bank Financial and move their business to competing financial institutions. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of Capital Bank Financial and First Horizon during this transition period and for an undetermined period after completion of the mergers and the bank merger on First Horizon. In addition, the actual cost savings of the mergers and the bank merger could be less than anticipated.

***The unaudited pro forma financial statements included in this document are preliminary and the actual financial condition and results of operations of First Horizon after the mergers may differ materially.***

The unaudited pro forma financial statements included in this document are presented for illustrative purposes only and are not necessarily indicative of what First Horizon's actual financial condition or results of operations would have been had the mergers been completed on the dates indicated. The unaudited pro forma condensed combined consolidated financial statements reflect adjustments, which are based upon preliminary estimates, to generally record the Capital Bank Financial identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The purchase price allocation reflected in this document is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the valuations of the assets and liabilities of Capital Bank Financial as of the date of the completion of the mergers. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this document. For more information, see "Unaudited Pro Forma Condensed Combined Consolidated Financial Statements."

***Capital Bank Financial's directors and executive officers have interests in the merger that may differ from the interests of Capital Bank Financial's common stockholders.***

Capital Bank Financial's common stockholders should be aware that certain of Capital Bank Financial's directors and executive officers have agreements or arrangements that provide them with interests in the merger, including financial interests, that may be different from, or in addition to, the interests of the other Capital Bank Financial common stockholders. Capital Bank Financial's board of directors was aware of these interests during its deliberations of the merits of the merger and in determining to recommend to Capital Bank Financial's Class A common stockholders that they vote for the Capital Bank Financial merger proposal and thereby approve the transactions contemplated by the merger agreement, including the merger. For a more complete description of these interests, see "The Mergers—Interests of Capital Bank Financial's Directors and Executive Officers in the Merger."

***Termination of the merger agreement could negatively affect Capital Bank Financial or First Horizon.***

The merger agreement is subject to a number of conditions which must be fulfilled in order to complete the mergers and the bank merger. Those conditions include, but are not limited to, the following: the approval of the merger agreement proposal by Capital Bank Financial Class A common stockholders, the approval of the First Horizon stock issuance proposal by First Horizon shareholders, the receipt of all required regulatory approvals, the accuracy (at the effective time) of representations and warranties under the merger agreement (subject to the materiality standards set forth in the merger agreement), First Horizon's and Capital Bank Financial's performance of their respective obligations under the merger agreement in all material respects and each of First Horizon's and Capital Bank Financial's receipt of an opinion to the effect that the mergers will qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code.

These or other conditions to the mergers may not be satisfied or waived and, accordingly, the mergers may not be completed.

In addition, if the merger is not completed by the termination date designated in the merger agreement, either First Horizon or Capital Bank Financial may choose to terminate the merger agreement, and the parties can mutually decide to terminate the merger agreement at any time. In addition, First Horizon and Capital Bank Financial may elect to terminate the merger agreement in certain other circumstances. If the merger agreement is terminated, there may be various consequences. For example, Capital Bank Financial's or First Horizon's businesses may have been impacted adversely by the failure to pursue other beneficial opportunities due to the focus of management on the mergers, without realizing any of the anticipated benefits of completing the mergers. Additionally, if the merger agreement is terminated, the market price of Capital Bank Financial's or First Horizon's common stock could decline to the extent that the current market prices reflect a market assumption that the mergers will be completed. If the merger agreement is terminated under certain circumstances, Capital Bank Financial may be required to pay to First Horizon a termination fee of \$85 million.

***Capital Bank Financial and First Horizon will be subject to business uncertainties and contractual restrictions while the merger is pending.***

Uncertainty about the effect of the mergers on employees and customers may have an adverse effect on Capital Bank Financial or First Horizon. These uncertainties may impair Capital Bank Financial's or First Horizon's ability to attract, retain, and motivate key personnel until the mergers are completed, and could cause customers and others that deal with Capital Bank Financial or First Horizon to seek to change existing business relationships with Capital Bank Financial or First Horizon. Retention of certain employees by Capital Bank Financial or First Horizon may be challenging while the mergers are pending, as certain employees may experience uncertainty about their future roles with the combined company. If key employees depart because of issues relating to the uncertainty and difficulty of integration, or a desire not to remain with Capital Bank Financial or First Horizon, Capital Bank Financial's business or First Horizon's business could be harmed. In addition, subject to certain exceptions, Capital Bank Financial has agreed to operate its business in the ordinary course prior to closing. See "The Merger Agreement—Covenants and Agreements" for a description of the restrictive covenants applicable to Capital Bank Financial and First Horizon.

***If the mergers are not completed, First Horizon and Capital Bank Financial will have incurred substantial expenses without realizing the expected benefits of the mergers.***

Each of First Horizon and Capital Bank Financial has incurred and will incur substantial expenses in connection with the negotiation and completion of the transactions contemplated by the merger agreement (including regulatory applications), as well as the costs and expenses of filing, printing, and mailing this joint proxy statement/prospectus, and all fees paid to the SEC in connection with the mergers. If the mergers are not completed, First Horizon and Capital Bank Financial would have to recognize these expenses without realizing the expected benefits of the mergers.

***The merger agreement limits Capital Bank Financial's ability to pursue acquisition proposals and requires Capital Bank Financial to pay a termination fee of \$85 million under limited circumstances, including circumstances relating to acquisition proposals.***

The merger agreement prohibits Capital Bank Financial from initiating, soliciting, knowingly encouraging, or knowingly facilitating certain third-party acquisition proposals. See "The Merger Agreement—Covenants and Agreements—Agreement Not to Solicit Other Offers." The merger agreement also provides that Capital Bank Financial will be required to pay to First Horizon a termination fee in the amount of \$85 million in the event that the merger agreement is terminated under certain circumstances, including a change of recommendation by the Capital Bank Financial board of directors. See "The Merger Agreement—Termination Fee." These provisions might

discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of Capital Bank Financial from considering or proposing such an acquisition.

***The shares of First Horizon common stock to be received by Capital Bank Financial common stockholders as a result of the merger will have different rights from the shares of Capital Bank Financial common stock.***

Upon completion of the merger, Capital Bank Financial common stockholders will become First Horizon shareholders and their rights as shareholders will be governed by the Tennessee Business Corporation Act and the First Horizon corporate charter and bylaws. The rights associated with Capital Bank Financial common stock are different from the rights associated with First Horizon common stock. See “Comparison of Shareholders’ Rights” for a discussion of the different rights associated with First Horizon common stock.

***Capital Bank Financial common stockholders and First Horizon shareholders will have a reduced ownership and voting interest in First Horizon after the merger and will exercise less influence over management.***

Capital Bank Financial Class A common stockholders and First Horizon shareholders currently have the right to vote in the election of the board of directors and on other matters affecting Capital Bank Financial and First Horizon, respectively. Upon completion of the merger, each Capital Bank Financial common shareholder who receives shares of First Horizon common stock will become a shareholder of First Horizon, with a percentage ownership of First Horizon that is smaller than the shareholder’s percentage ownership of Capital Bank Financial. Based on a First Horizon share closing price of \$18.06 on July 25, 2017, the last date before the date of this joint proxy statement/prospectus for which it was practicable to obtain this information, and based on the number of shares of First Horizon and Capital Bank Financial common stock outstanding, the Capital Bank Financial common stockholders, as a group, will receive in the merger shares of First Horizon common stock constituting approximately 28.03% of the outstanding shares of First Horizon common stock immediately after the merger. As a result, current First Horizon shareholders, as a group, will own approximately 71.97% of the outstanding shares of First Horizon common stock immediately after the merger. Because of this, Capital Bank Financial Class A common stockholders may have less influence on the management and policies of First Horizon than they now have on the management and policies of Capital Bank Financial, and current First Horizon shareholders may have less influence than they now have on the management and policies of First Horizon.

***Sales of shares of First Horizon common stock after the completion of the transaction may cause the market price of First Horizon common stock to fall.***

Based on a First Horizon share closing price of \$18.06 on July 25, 2017, the last date before the date of this joint proxy statement/prospectus for which it was practicable to obtain this information, and based on the number of shares of First Horizon and Capital Bank Financial common stock outstanding, First Horizon would issue approximately 91,210,673 shares of First Horizon common stock in connection with the merger. Capital Bank Financial common stockholders may decide not to hold the shares of First Horizon common stock they receive in the merger. Other Capital Bank Financial common stockholders, such as funds with limitations on their permitted holdings of stock in individual issuers, may be required to sell shares of First Horizon common stock that they receive in the merger. Such sales of First Horizon common stock could have the effect of depressing the market price for First Horizon common stock and may take place promptly following the merger.

***The opinions of First Horizon’s and Capital Bank Financial’s financial advisors to the parties’ respective boards of directors were delivered prior to the signing of the merger agreement and do not reflect changes in circumstances since such opinions were delivered.***

The opinions of First Horizon’s and Capital Bank Financial’s financial advisors to the parties’ respective boards of directors were delivered prior to the signing of the merger agreement. Changes in the operations and prospects of First Horizon or Capital Bank Financial, general market and economic conditions and other factors that may be beyond the control of First Horizon or Capital

Bank Financial may significantly alter the value or prices of Capital Bank Financial or First Horizon shares of common stock by the time the merger is completed. The opinions do not speak as of the date of this joint proxy statement/prospectus, as of the time the merger will be completed, or as of any date other than the date of such opinions.

***Capital Bank Financial common stockholders are expected to have appraisal rights in the merger.***

If the merger agreement is adopted by Capital Bank common shareholders, Capital Bank Financial common stockholders who do not vote in favor of the adoption of the merger agreement and who properly demand appraisal of their shares will be entitled to appraisal rights in connection with the merger under Section 262 of the DGCL. Neither Capital Bank Financial nor First Horizon can predict the number of Capital Bank Financial common stockholders who will seek appraisal of their shares. For more information, see “The Mergers—Dissenters’ Rights in the Merger.”

***Litigation relating to the merger could delay and/or enjoin the merger.***

On July 14, 2017, a complaint was filed on behalf of a putative class of First Horizon shareholders against First Horizon, its directors, and Capital Bank Financial in the Court of Chancery of Shelby County, Tennessee (30th Judicial District), in connection with the merger. The complaint alleges, among other things, that the First Horizon director defendants breached their fiduciary duties by approving the merger, that Capital Bank Financial aided and abetted such breaches, and that First Horizon, its directors and Capital Bank Financial failed to disclose material information in connection with the merger. In addition, Capital Bank Financial and the individual members of the Capital Bank Financial board of directors have been named as defendants in three substantially similar putative derivative and class action lawsuits filed by alleged shareholders of Capital Bank Financial in the Western District of North Carolina (with one complaint also naming First Horizon and Merger Sub as defendants). The three complaints allege that the registration statement on Form S-4 filed on June 29, 2017 omits and/or misrepresents material information which renders it false and misleading. Additional lawsuits against First Horizon, Capital Bank Financial, and/or the directors and officers of either company in connection with the merger may be filed. The outcome of the pending and any additional future litigation is uncertain. If any case is not resolved, the lawsuit(s) could prevent or delay completion of the merger and result in substantial costs to First Horizon and Capital Bank Financial, including any costs associated with the indemnification of directors and officers. One of the conditions to the closing of the merger is that no order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the merger or the bank merger shall be in effect. As such, if plaintiffs are successful in obtaining an injunction prohibiting the completion of the merger or the bank merger on the agreed-upon terms, then such injunction may prevent the merger from being completed, or from being completed within the expected timeframe. The defense or settlement of any lawsuit or claim that remains unresolved at the time the merger is completed may adversely affect First Horizon’s business, financial condition, results of operations and cash flows. See “The Mergers—Litigation Relating to the Merger.”

***Risks Relating to First Horizon’s Business***

You should read and consider risk factors specific to First Horizon’s business that will also affect First Horizon after the mergers. These risks are described in the sections entitled “Risk Factors” in First Horizon’s Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and in other documents incorporated by reference into this joint proxy statement/prospectus. See “Where You Can Find More Information.”

***Risks Relating to Capital Bank Financial’s Business***

You should read and consider risk factors specific to Capital Bank Financial’s business that will also affect First Horizon after the mergers. These risks are described in the sections entitled “Risk Factors” in Capital Bank Financial’s Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and in other documents incorporated by reference into this joint proxy statement/prospectus. See “Where You Can Find More Information.”

## THE CAPITAL BANK FINANCIAL SPECIAL MEETING

### Date, Time, and Place of Meeting

The Capital Bank Financial special meeting will be held on September 7, 2017 at the DoubleTree Suites by Hilton Hotel, 6300 Morrison Blvd., Charlotte, North Carolina 28211, at 4:00 p.m. local time.

### Matters to Be Considered

At the Capital Bank Financial special meeting of Class A common stockholders, you will be asked to consider and vote upon the following matters:

- the Capital Bank Financial merger proposal;
- the Capital Bank Financial compensation proposal; and
- the Capital Bank Financial adjournment proposal.

### Recommendation of Capital Bank Financial's Board of Directors

Capital Bank Financial's board of directors has unanimously approved the merger agreement, has determined that the merger, on the terms and conditions set forth in the merger agreement, is advisable and in the best interests of Capital Bank Financial and its stockholders. Capital Bank Financial's board of directors unanimously recommends that Capital Bank Financial Class A common stockholders vote "FOR" the Capital Bank Financial merger proposal, "FOR" the Capital Bank Financial compensation proposal, and "FOR" the Capital Bank Financial adjournment proposal. See "The Mergers—Capital Bank Financial's Reasons for the Merger; Recommendation of the Capital Bank Financial Board of Directors" for a more detailed discussion of the Capital Bank Financial board of directors' recommendation.

### Capital Bank Financial Record Date and Quorum

Capital Bank Financial's board of directors has fixed the close of business on July 24, 2017 as the record date for determining the Capital Bank Financial Class A common stockholders entitled to receive notice of and to vote at the Capital Bank Financial special meeting.

As of the record date, there were 35,456,768 shares of Capital Bank Financial Class A common stock outstanding and entitled to vote at the Capital Bank Financial special meeting, held by approximately 4,442 holders of record. Each share of Capital Bank Financial Class A common stock entitles the holder to one vote at the Capital Bank Financial special meeting on each proposal to be considered at the Capital Bank Financial special meeting.

The presence at the Capital Bank Financial special meeting, in person or by proxy, of holders of a majority of the outstanding shares of Capital Bank Financial Class A common stock entitled to vote at the Capital Bank Financial special meeting will constitute a quorum for the transaction of business. All shares of Capital Bank Financial Class A common stock present in person or represented by proxy, including abstentions, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the Capital Bank Financial special meeting.

### Vote Required; Treatment of Abstentions and Failure to Vote

*Capital Bank Financial merger proposal:*

- Standard: Approval of the Capital Bank Financial merger proposal requires the affirmative vote of the holders of at least a majority of the outstanding shares of Capital Bank Financial Class A common stock.
- Effect of abstentions and broker non-votes: If you fail to vote, mark "ABSTAIN" on your proxy, or fail to instruct your bank or broker with respect to the Capital Bank Financial merger proposal, it will have the same effect as a vote "AGAINST" the proposal.

*Capital Bank Financial compensation proposal:*

- **Standard:** Approval of the Capital Bank Financial compensation proposal requires the affirmative vote of the holders of at least a majority of the votes cast at the Capital Bank Financial special meeting.
- **Effect of abstentions and broker non-votes:** If you mark “ABSTAIN” on your proxy card, fail to submit a proxy card or vote in person at the Capital Bank Financial special meeting, or fail to instruct your bank or broker how to vote with respect to the Capital Bank Financial compensation proposal, you will not be deemed to have cast a vote with respect to the proposal and it will have no effect on the proposal.

*Capital Bank Financial adjournment proposal:*

- **Standard:** Approval of the Capital Bank Financial adjournment proposal requires the affirmative vote of the holders of at least a majority of the votes cast at the Capital Bank Financial special meeting.
- **Effect of abstentions and broker non-votes:** If you mark “ABSTAIN” on your proxy card, fail to submit a proxy card or vote in person at the Capital Bank Financial special meeting, or fail to instruct your bank or broker how to vote with respect to the Capital Bank Financial adjournment proposal, you will not be deemed to have cast a vote with respect to the proposal and it will have no effect on the proposal.

**Support Agreements**

Each of R. Eugene Taylor, the Chairman and Chief Executive Officer of Capital Bank Financial, who as of the Capital Bank Financial record date had the right to vote approximately 621,253, or approximately 1.75%, of the outstanding shares of Capital Bank Financial Class A common stock, Crestview Partners, which as of the Capital Bank Financial record date had the right to vote approximately 2,583,760, or approximately 7.29%, of the outstanding shares of Capital Bank Financial Class A common stock and Oak Hill Capital Partners, which as of the Capital Bank Financial record date had the right to vote approximately 2,482,259, or approximately 7%, of the outstanding shares of Capital Bank Financial Class A common stock, has agreed, subject to certain exceptions, to vote his or its shares of Capital Bank Financial Class A common stock in favor of approval of the Capital Bank Financial merger proposal.

**Shares Held by Officers and Directors**

As of the Capital Bank Financial record date, the directors and executive officers of Capital Bank Financial and their affiliates beneficially owned and were entitled to vote approximately 1,423,225 shares of Capital Bank Financial Class A common stock representing approximately 4.01% of the shares of Capital Bank Financial Class A common stock outstanding on that date. As of the Capital Bank Financial record date, excluding shares held in fiduciary or agency capacity, First Horizon and its subsidiaries did not own any shares of Capital Bank Financial Class A common stock.

**Voting of Proxies; Incomplete Proxies**

Each copy of this joint proxy statement/prospectus mailed to Capital Bank Financial common stockholders is accompanied by a form of proxy card with instructions for voting. If you hold stock in your name as a stockholder of record, you should complete and return the proxy card accompanying this joint proxy statement/prospectus, regardless of whether you plan to attend the Capital Bank Financial special meeting. You may also vote your shares through the Internet or by telephone. Information and applicable deadlines for voting through the Internet or by telephone are set forth in the enclosed proxy card instructions.

If you hold your stock in “street name” through a bank or broker, you must direct your bank or broker how to vote in accordance with the instructions you have received from your bank or broker.



All shares represented by valid proxies that Capital Bank Financial receives through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted “FOR” the Capital Bank Financial merger proposal, “FOR” the Capital Bank Financial compensation proposal and “FOR” the Capital Bank Financial adjournment proposal. No matters other than the matters described in this joint proxy statement/prospectus are anticipated to be presented for action at the Capital Bank Financial special meeting or at any adjournment or postponement of the Capital Bank Financial special meeting. However, if other business properly comes before the Capital Bank Financial special meeting, the proxy agents will, in their discretion, vote upon such matters in their best judgment.

### **Shares Held in “Street Name”; Broker Non-Votes**

Under stock exchange rules, banks, brokers, and other nominees who hold shares of Capital Bank Financial common stock in “street name” for a beneficial owner of those shares typically have the authority to vote in their discretion on “routine” proposals when they have not received instructions from beneficial owners. However, banks, brokers, and other nominees are not allowed to exercise their voting discretion with respect to the approval of matters determined to be “non-routine,” without specific instructions from the beneficial owner. Broker non-votes are shares held by a broker, bank, or other nominee that are represented at the Capital Bank Financial special meeting, but with respect to which the broker or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker does not have discretionary voting power on such proposal. If your broker, bank, or other nominee holds your shares of Capital Bank Financial Class A common stock in “street name,” your broker, bank, or other nominee will vote your shares of Capital Bank Financial Class A common stock only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker, bank, or other nominee with this joint proxy statement/prospectus. Capital Bank Financial believes that the Capital Bank Financial merger proposal, the Capital Bank Financial compensation proposal and Capital Bank Financial adjournment proposal are “non-routine” proposals and your broker, bank, or other nominee can vote your shares of Capital Bank Financial Class A common stock only with your specific voting instructions.

### **Revocability of Proxies and Changes to a Capital Bank Financial Class A Common Stockholder’s Vote**

If you hold your shares of Capital Bank Financial Class A common stock in your name as a stockholder of record, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to Capital Bank Financial’s corporate secretary, (3) attending the Capital Bank Financial special meeting in person, notifying the corporate secretary, and voting by ballot at Capital Bank Financial the special meeting, or (4) voting by telephone or the Internet at a later time.

Any Capital Bank Financial Class A common stockholder entitled to vote in person at the Capital Bank Financial special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence (without notifying Capital Bank Financial’s corporate secretary) of a stockholder at the Capital Bank Financial special meeting will not constitute revocation of a previously given proxy.

**Written notices of revocation and other communications about revoking your proxy card should be addressed to:**

Capital Bank Financial Corp.  
4725 Piedmont Row Drive, Suite 110  
Charlotte, North Carolina 28210  
Attention: Investor Relations  
Telephone: (704) 554-5901

If your shares of Capital Bank Financial Class A common stock are held in “street name” by a bank or broker, you should follow the instructions of your bank or broker regarding the revocation of proxies.

**Solicitation of Proxies**

Capital Bank Financial is soliciting your proxy in conjunction with the merger. Capital Bank Financial will bear the cost of soliciting proxies from you. In addition to solicitation of proxies by mail, Capital Bank Financial will request that banks, brokers, and other record holders send proxies and proxy material to the beneficial owners of Capital Bank Financial Class A common stock and secure their voting instructions. Capital Bank Financial has also made arrangements with Alliance Advisors to assist it in soliciting proxies and has agreed to pay Alliance Advisors approximately \$17,500 plus reasonable expenses for these services.

**Attending the Capital Bank Financial Special Meeting**

All Capital Bank Financial Class A common stockholders, including holders of record and stockholders who hold their shares through banks, brokers, nominees, or any other holder of record, are invited to attend the Capital Bank Financial special meeting. Stockholders of record can vote in person at the Capital Bank Financial special meeting. If you are not a stockholder of record, you must obtain a proxy executed in your favor from the record holder of your shares, such as a broker, bank, or other nominee, to be able to vote in person at the Capital Bank Financial special meeting. If you plan to attend the Capital Bank Financial special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. Capital Bank Financial reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification. The use of cameras, sound recording equipment, communications devices, or any similar equipment during the Capital Bank Financial special meeting is prohibited without Capital Bank Financial’s express written consent.

**Delivery of Proxy Materials to Stockholders Sharing an Address**

As permitted by the Securities Exchange Act of 1934, as amended, only one copy of this joint proxy statement/prospectus is being delivered to multiple Capital Bank Financial common stockholders sharing an address unless Capital Bank Financial has previously received contrary instructions from one or more such stockholders. This is referred to as “householding.” Stockholders who hold their shares in “street name” can request further information on householding through their banks, brokers, or other holders of record. On written or oral request to Capital Bank Financial’s proxy solicitor, Alliance Advisors, at 200 Broadacres Drive, 3<sup>rd</sup> Floor, Bloomfield, New Jersey 07003, or toll-free at (833) 501-4704. Capital Bank Financial will deliver promptly a separate copy of this document to a stockholder at a shared address to which a single copy of the document was delivered.

**Assistance**

If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus, or need help voting your shares of Capital Bank Financial Class A common stock, please contact Capital Bank Financial Investor Relations at 4725 Piedmont Row Drive, Suite 110, Charlotte, North Carolina 28210 or call (704) 554-5901, or Capital Bank Financial’s proxy solicitor, Alliance Advisors, at the following address or phone number: 200 Broadacres Drive, 3<sup>rd</sup> Floor, Bloomfield, New Jersey 07003, or toll-free at (833) 501-4704.

## CAPITAL BANK FINANCIAL PROPOSALS

### PROPOSAL NO. 1: CAPITAL BANK FINANCIAL MERGER PROPOSAL

Capital Bank Financial is asking its stockholders to adopt the merger agreement and the transactions contemplated thereby, including the mergers and the bank merger. Capital Bank Financial Class A common stockholders should read this joint proxy statement/prospectus carefully and in its entirety, including the annexes, for more detailed information concerning the merger agreement and the merger. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A.

After careful consideration, the Capital Bank Financial board of directors unanimously determined that the merger, on the terms and conditions set forth in the merger agreement, is in the best interests of Capital Bank Financial and its stockholders. See “The Mergers—Capital Bank Financial’s Reasons for the Merger; Recommendation of the Capital Bank Financial Board of Directors” included elsewhere in this joint proxy statement/prospectus for a more detailed discussion of the Capital Bank Financial board of directors’ recommendation.

**The Capital Bank Financial board of directors unanimously recommends that Capital Bank Financial Class A common stockholders vote “FOR” the Capital Bank Financial merger proposal.**

### PROPOSAL NO. 2: CAPITAL BANK FINANCIAL COMPENSATION PROPOSAL

Pursuant to the Dodd-Frank Act and Rule 14a-21(c) under the Exchange Act, Capital Bank Financial is seeking non-binding, advisory approval from its Class A common stockholder of the compensation of Capital Bank Financial’s named executive officers that is based on or otherwise relates to the merger, as disclosed in “The Mergers—Merger-Related Compensation for Capital Bank Financial’s Named Executive Officers.” The proposal gives Capital Bank Financial Class A common stockholders the opportunity to express their views on the merger-related compensation of Capital Bank Financial’s named executive officers. Accordingly, Capital Bank Financial is requesting its Class A common stockholders to adopt the following resolution, on a non-binding, advisory basis:

“RESOLVED, that the compensation that may be paid or become payable to Capital Bank Financial’s named executive officers in connection with the merger, and the agreements or understandings pursuant to which such compensation may be paid or become payable, in each case as disclosed pursuant to Item 402(t) of Regulation S-K in “The Mergers—Merger-Related Compensation for Capital Bank Financial’s Named Executive Officers,” are hereby APPROVED.”

Approval of this proposal is not a condition to completion of the merger, and the vote with respect to this proposal is advisory only and will not be binding on First Horizon or Capital Bank Financial. If the merger is completed, the merger-related compensation may be paid to Capital Bank Financial’s named executive officers to the extent payable in accordance with the terms of the compensation agreements and arrangements even if Capital Bank Financial Class A common stockholders fail to approve the advisory vote regarding merger-related compensation.

**The Capital Bank Financial board of directors unanimously recommends that Capital Bank Financial Class A common stockholders vote “FOR” the Capital Bank Financial compensation proposal.**

### PROPOSAL NO. 3: CAPITAL BANK FINANCIAL ADJOURNMENT PROPOSAL

The Capital Bank Financial special meeting may be adjourned to another time or place, if necessary or appropriate, to permit, among other things, further solicitation of proxies if necessary to obtain additional votes in favor of the Capital Bank Financial merger proposal.

If, at the Capital Bank Financial special meeting, the number of shares of Capital Bank Financial Class A common stock present or represented and voting in favor of the Capital Bank Financial merger proposal is insufficient to approve such proposal, Capital Bank Financial intends to move to adjourn the Capital Bank Financial special meeting in order to solicit additional proxies for the approval of the merger agreement. In accordance with the Capital Bank Financial bylaws, a vote to approve the proposal to adjourn the Capital Bank Financial special meeting, if necessary or

appropriate, to solicit additional proxies if there are insufficient votes at the time of the Capital Bank Financial special meeting to approve the Capital Bank Financial merger proposal may be taken in the absence of a quorum.

In this proposal, Capital Bank Financial is asking its stockholders to authorize the holder of any proxy solicited by the Capital Bank Financial board of directors on a discretionary basis to vote in favor of adjourning the Capital Bank Financial special meeting to another time and place for the purpose of soliciting additional proxies, including the solicitation of proxies from Capital Bank Financial Class A common stockholders who have previously voted.

**The Capital Bank Financial board of directors unanimously recommends that Capital Bank Financial Class A common stockholders vote “FOR” the Capital Bank Financial adjournment proposal.**

## THE FIRST HORIZON SPECIAL MEETING

### Date, Time, and Place of Meeting

The special meeting of First Horizon shareholders will be held on September 7, 2017 at the M-Level Auditorium, First Tennessee Building, 165 Madison Avenue, Memphis, Tennessee 38103, at 3:00 p.m. local time.

### Matters to Be Considered

At the First Horizon special meeting, First Horizon shareholders will be asked to consider and vote upon the First Horizon stock issuance proposal and the First Horizon adjournment proposal.

### Recommendation of the First Horizon Board of Directors

The First Horizon board of directors unanimously recommends that you vote “FOR” the First Horizon stock issuance proposal and “FOR” the First Horizon adjournment proposal.

### First Horizon Record Date and Quorum

The Executive & Risk Committee of First Horizon’s board of directors has fixed the close of business on July 24, 2017 as the record date for determining the holders of First Horizon common stock entitled to receive notice of and to vote at the First Horizon special meeting.

As of the First Horizon record date, there were 234,145,714 shares of First Horizon common stock outstanding and entitled to vote at the First Horizon special meeting, held by approximately 5,050 holders of record. Each share of First Horizon common stock entitles the holder to one vote at the First Horizon special meeting on each proposal to be considered at the First Horizon special meeting.

The presence, in person or by proxy, of holders of a majority of the outstanding shares of First Horizon common stock entitled to vote at the First Horizon special meeting constitutes a quorum for transacting business at the First Horizon special meeting. All shares of First Horizon common stock, whether present in person or represented by proxy, including abstentions, if any, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the First Horizon special meeting.

### Vote Required; Treatment of Abstentions and Failure to Vote

#### *First Horizon stock issuance proposal:*

- 1) Standard: Approval of the First Horizon stock issuance proposal requires the affirmative vote of the holders of at least a majority of the votes cast at the First Horizon special meeting.
- 2) Effect of abstentions and broker non-votes: If you mark “ABSTAIN” on your proxy card, fail to submit a proxy card or vote in person at the First Horizon special meeting, or fail to instruct your bank or broker how to vote with respect to the First Horizon stock issuance proposal, you will not be deemed to have cast a vote with respect to the proposal and it will have no effect on the proposal.

#### *First Horizon adjournment proposal:*

- 3) Standard: Approval of the First Horizon adjournment proposal requires the affirmative vote of the holders of at least a majority of the votes cast at the First Horizon special meeting.
- 4) Effect of abstentions and broker non-votes: If you mark “ABSTAIN” on your proxy card, fail to submit a proxy card or vote in person at the First Horizon special meeting, or fail to instruct your bank or broker how to vote with respect to the First Horizon adjournment proposal, you will not be deemed to have cast a vote with respect to the proposal and it will have no effect on the proposal.

Holders of First Horizon's depositary shares (representing a 1/4000th interest in a share of non-cumulative perpetual preferred stock, series A), are not entitled to, and are not requested to, vote at the First Horizon special meeting.

### **Shares Held by Officers and Directors**

As of the First Horizon record date, the directors and executive officers of First Horizon and their affiliates owned, and were entitled to vote, 3,504,088 shares of First Horizon common stock, representing approximately 1.5% of the shares of First Horizon common stock outstanding on that date. As of the First Horizon record date, excluding shares held in fiduciary or agency capacity, Capital Bank Financial and its subsidiaries did not own any shares of First Horizon common stock.

### **Voting of Proxies; Incomplete Proxies**

Each copy of this joint proxy statement/prospectus mailed to First Horizon shareholders is accompanied by a form of proxy card with instructions for voting. If you hold stock in your name as a shareholder of record, you should complete and return the proxy card accompanying this joint proxy statement/prospectus, regardless of whether you plan to attend the First Horizon special meeting. You may also vote your shares through the Internet or by telephone. Information and applicable deadlines for voting through the Internet or by telephone are set forth in the enclosed proxy card instructions.

If you hold your stock in "street name" through a bank or broker, you must direct your bank or broker how to vote in accordance with the instructions you have received from your bank or broker.

All shares represented by valid proxies that First Horizon receives through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted "FOR" the First Horizon stock issuance proposal and "FOR" the First Horizon adjournment proposal. No matters other than the matters described in this joint proxy statement/prospectus are anticipated to be presented for action at the First Horizon special meeting or at any adjournment or postponement of the First Horizon special meeting. However, if other business properly comes before the First Horizon special meeting, the proxies will, in their discretion, vote upon such matters in their best judgment.

### **Shares Held in "Street Name"; Broker Non-Votes**

Under stock exchange rules, banks, brokers, and other nominees who hold shares of First Horizon common stock in "street name" for a beneficial owner of those shares typically have the authority to vote in their discretion on "routine" proposals when they have not received instructions from beneficial owners. However, banks, brokers, and other nominees are not allowed to exercise their voting discretion with respect to the approval of matters determined to be "non-routine," without specific instructions from the beneficial owner. Broker non-votes are shares held by a broker, bank, or other nominee that are represented at the First Horizon special meeting, but with respect to which the broker or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker does not have discretionary voting power on such proposal. If your broker, bank, or other nominee holds your shares of First Horizon common stock in "street name," your broker, bank, or other nominee will vote your shares of First Horizon common stock only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker, bank, or other nominee with this joint proxy statement/prospectus. First Horizon believes that the First Horizon stock issuance proposal and First Horizon adjournment proposal are "non-routine" proposals and your broker, bank, or other nominee can vote your shares of First Horizon common stock only with your specific voting instructions.

## **Revocability of Proxies and Changes to a First Horizon Shareholder's Vote**

If you are a holder of record of First Horizon common stock, you may change your vote at any time before your shares of First Horizon common stock are voted at the First Horizon special meeting by: (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to First Horizon's corporate secretary, (3) attending the First Horizon special meeting in person, notifying the corporate secretary and voting by ballot at the First Horizon special meeting, or (4) voting by telephone or the Internet at a later time.

Any shareholder entitled to vote in person at the First Horizon special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence (without notifying First Horizon's corporate secretary) of a shareholder at the First Horizon special meeting will not constitute revocation of a previously given proxy.

### **Written notices of revocation and other communications about revoking your proxy card should be addressed to:**

First Horizon National Corporation  
P.O. Box 84  
Memphis, Tennessee 38101  
Attention: Corporate Secretary

If you have instructed a bank, broker, or other holder of record to vote your shares of First Horizon common stock, you must follow the directions you receive from your bank, broker, or other holder of record in order to change or revoke your vote.

## **Solicitation of Proxies**

First Horizon is soliciting your proxy in conjunction with the mergers. First Horizon will bear the cost of soliciting proxies from you. In addition to solicitation of proxies by mail, First Horizon will request that banks, brokers, and other record holders send proxies and proxy material to the beneficial owners of First Horizon common stock and secure their voting instructions. First Horizon has also made arrangements with Morrow Sodali LLC to assist it in soliciting proxies and has agreed to pay Morrow Sodali LLC approximately \$15,000 plus reasonable expenses for these services.

## **Attending the First Horizon Special Meeting**

All First Horizon shareholders, including holders of record and shareholders who hold their shares of First Horizon common stock through banks, brokers, nominees, or any other holder of record, are invited to attend the First Horizon special meeting. Shareholders of record can vote in person at the First Horizon special meeting. If you are not a shareholder of record, you must obtain a proxy executed in your favor from the record holder of your shares, such as a broker, bank, or other nominee, to be able to vote in person at the First Horizon special meeting. If you plan to attend the First Horizon special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. First Horizon reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification. The use of cameras, sound recording equipment, communications devices, or any similar equipment during the First Horizon special meeting is prohibited without First Horizon's express written consent.

## **Delivery of Proxy Materials to Shareholders Sharing an Address**

As permitted by the Securities Exchange Act of 1934, as amended, only one copy of this joint proxy statement/prospectus is being delivered to multiple First Horizon shareholders sharing an address unless First Horizon has previously received contrary instructions from one or more such shareholders. This is referred to as "householding." Shareholders who hold their shares in "street name" can request further information on householding through their banks, brokers, or other

holders of record. On written or oral request to First Horizon's proxy solicitor, Morrow Sodali LLC, at 470 West Avenue, Stamford, Connecticut 06902, or toll-free at (800) 662-5200. First Horizon will deliver promptly a separate copy of this document to a shareholder at a shared address to which a single copy of the document was delivered.

**Assistance**

If you have any questions concerning the mergers, including the First Horizon stock issuance proposal, or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus, or need help voting your shares of First Horizon common stock, please contact Clyde A. Billings, Jr., First Horizon National Corporation, 165 Madison, 13th Floor, Memphis, TN 38103, telephone (901) 523-5679, or First Horizon's proxy solicitor, Morrow Sodali LLC, at the following address or phone number: 470 West Avenue, Stamford, Connecticut 06902, or toll-free at (800) 662-5200.



## FIRST HORIZON PROPOSALS

### PROPOSAL NO. 1: FIRST HORIZON STOCK ISSUANCE PROPOSAL

First Horizon is asking its shareholders to approve the issuance of shares of First Horizon common stock in the merger pursuant to the merger agreement. Holders of First Horizon common stock should read this joint proxy statement/prospectus carefully and in its entirety, including the annexes, for more detailed information concerning the merger agreement and the merger. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A.

After careful consideration, the First Horizon board of directors unanimously approved the mergers, stock issuance and the merger agreement and declared the merger agreement and the transactions contemplated thereby, including the mergers, the bank merger, and the issuance of First Horizon common stock in the merger pursuant to the merger agreement, to be advisable and in the best interests of First Horizon and its shareholders. See “The Mergers—First Horizon’s Reasons for the Merger; Recommendation of the First Horizon Board of Directors” included elsewhere in this joint proxy statement/prospectus for a more detailed discussion of the recommendation of the First Horizon board of directors.

**The First Horizon board of directors unanimously recommends that First Horizon shareholders vote “FOR” the First Horizon stock issuance proposal.**

### PROPOSAL NO. 2: FIRST HORIZON ADJOURNMENT PROPOSAL

The First Horizon special meeting may be adjourned to another time or place, if necessary or appropriate, to permit, among other things, further solicitation of proxies if necessary to obtain additional votes in favor of the First Horizon stock issuance proposal.

If, at the First Horizon special meeting, the number of shares of First Horizon common stock present or represented and voting in favor of the First Horizon stock issuance proposal is insufficient to approve such proposal, First Horizon intends to move to adjourn the First Horizon special meeting in order to solicit additional proxies for the approval of the First Horizon stock issuance proposal. Additionally, in accordance with First Horizon’s bylaws, if a quorum is not present or represented at a meeting of shareholders, the chairman of the meeting or the holders of a majority of the shares entitled to vote at the meeting who are present or represented at the meeting may adjourn the meeting until a quorum is obtained.

In this proposal, First Horizon is asking its shareholders to authorize the holder of any proxy solicited by the First Horizon board of directors on a discretionary basis to vote in favor of adjourning the First Horizon special meeting to another time and place for the purpose of soliciting additional proxies, including the solicitation of proxies from First Horizon shareholders who have previously voted.

**The First Horizon board of directors unanimously recommends that the First Horizon shareholders vote “FOR” the First Horizon adjournment proposal.**

## INFORMATION ABOUT THE COMPANIES

### First Horizon

#### *First Horizon National Corporation*

165 Madison Avenue  
Memphis, Tennessee 38103  
Phone: (901) 523-4444

First Horizon is a Tennessee corporation headquartered in Memphis, Tennessee, with \$29.6 billion in total assets as of March 31, 2017. First Horizon is registered as a bank holding company under the Bank Holding Company Act of 1956, and as a financial holding company under the provisions of the Gramm-Leach-Bliley Act and is supervised and regulated by the Federal Reserve. First Horizon provides diversified financial services primarily through its principal subsidiary, FTBNA, and its other subsidiaries. FTBNA, a national banking association with principal offices in Memphis, Tennessee, received its charter in 1864. First Horizon's subsidiaries have over 200 business locations in 21 U.S. states, excluding off-premises ATMs. Almost all of those locations are bank financial centers and FTN Financial offices. As a national banking association, FTBNA is subject to supervision, regulation and examination by the OCC, its primary regulator. In addition, the deposits of FTBNA are insured up to allowable limits by, and FTBNA is subject to regulation by, the FDIC.

First Horizon's common stock is traded on the NYSE under the symbol "FHN." Additional information about First Horizon and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

### Capital Bank Financial

#### *Capital Bank Financial Corp.*

4725 Piedmont Row Drive, Suite 110  
Charlotte, NC 28210  
Telephone: (704) 554-5901

Capital Bank Financial is a bank holding company incorporated in late 2009 with the goal of creating a regional banking franchise in the southeastern region of the United States through organic growth and acquisitions of other banks, including failed, underperforming and undercapitalized banks. Capital Bank Financial raised \$955.6 million to make acquisitions through a series of private placements and an initial public offering of its common stock. Since its inception, Capital Bank Financial has acquired eight depository institutions, including certain assets and certain deposits of three failed banks from the FDIC. As of March 31, 2017, Capital Bank Financial operates 193 branches in Florida, North and South Carolina, Tennessee and Virginia. Through its branches, Capital Bank Financial offers a wide range of commercial and consumer loans and deposits, as well as ancillary financial services.

Capital Bank Financial's banking operations commenced on July 16, 2010, when it purchased \$1.2 billion of assets and assumed \$960.1 million of deposits of three failed banks from the FDIC. Capital Bank Financial did not pay the FDIC a premium for the deposits of the failed banks. In connection with these acquisitions, Capital Bank Financial entered into loss sharing agreements with the FDIC covering approximately \$796.1 million of outstanding loans balances and real estate of the failed banks that it acquired. Under the loss sharing agreements, the FDIC agreed to absorb 80% of all credit losses and workout expenses on these assets which occurred prior to the expiration of the loss sharing agreements. On September 30, 2010, Capital Bank Financial invested \$175.0 million in TIB Financial Corp., a publicly held financial services company that had total assets of \$1.7 billion and operated 28 branches in southwest Florida and the Florida Keys. On January 28, 2011, Capital Bank Financial invested \$181.1 million in Capital Bank Sub, a publicly held financial services company that had \$1.7 billion in assets and operated 32 branches in central and western North Carolina. On September 7, 2011, Capital Bank Financial invested \$217.0 million in Green Bankshares, Inc., a publicly held financial services company that had \$2.4 billion in assets and operated 63 branches across East and middle Tennessee in addition to one branch in each of

Virginia and North Carolina. In addition, on October 1, 2012, Capital Bank Financial invested approximately \$99.3 million in Southern Community Financial Corporation, a publicly held financial services company that had approximately \$1.4 billion in assets and operated 22 branches in North Carolina. On October 26, 2016, Capital Bank Financial invested \$340.5 million in CommunityOne Bancorp, a publicly held financial services company that had \$2.4 billion in assets and operated 45 branches in North Carolina. Capital Bank Financial has integrated its eight acquired institutions and combined them all onto a single scalable processing platform.

Capital Bank Financial Class A common stock is currently listed on the NASDAQ under the symbol "CBF." Additional information about Capital Bank Financial and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information."

### **Merger Sub**

*Firestone Sub, Inc.*  
165 Madison Avenue  
Memphis, Tennessee 38103  
Phone: (901) 523-4444

Merger Sub is a Delaware corporation and a direct wholly-owned subsidiary of First Horizon. Merger Sub was incorporated on April 27, 2017, for the sole purpose of effecting the merger. As of the date of this joint proxy statement/prospectus, Merger Sub has not conducted any activities other than those incidental to its formation, the execution of the merger agreement and the transactions contemplated by the merger agreement.

## THE MERGERS

*The following discussion contains certain information about the mergers. The discussion is subject, and qualified in its entirety by reference, to the merger agreement attached as Annex A to this joint proxy statement/prospectus and incorporated herein by reference. We urge you to read carefully this entire joint proxy statement/prospectus, including the merger agreement attached as Annex A, for a more complete understanding of the mergers.*

### Terms of the Mergers

Each of First Horizon's and Capital Bank Financial's respective boards of directors has approved the merger agreement and the transactions contemplated thereby. The merger agreement provides for the merger of Merger Sub with and into Capital Bank Financial, with Capital Bank Financial remaining as the surviving entity. Such surviving entity will, as soon as reasonably practicable following the merger and as part of a single integrated transaction, merge with and into First Horizon in a second step merger, with First Horizon as the surviving entity. Immediately following the completion of the second step merger or at such later time as First Horizon may determine in its sole discretion, Capital Bank Sub will merge with and into FTBNA, with FTBNA continuing as the surviving bank.

Each share of Capital Bank Financial common stock issued and outstanding immediately prior to the completion of the merger (except for shares of Capital Bank Financial common stock that are held by stockholders who are entitled to and properly exercise appraisal rights in accordance with Section 262 of the DGCL and shares of Capital Bank Financial common stock held by Capital Bank Financial or First Horizon, with certain limited exceptions) will be converted into the right to receive either (i) an amount in cash equal to the sum of (A) \$7.90 plus (B) the product of 1.75 multiplied by the First Horizon share closing price, or (ii) the number of shares of First Horizon common stock equal to the quotient of (A) the per share cash consideration divided by (B) the First Horizon share closing price, in each case at the election of the applicable Capital Bank Financial common stockholder, subject to procedures applicable to oversubscription and undersubscription for cash consideration. The aggregate amount of the cash consideration is fixed at \$410,535,300.

No fractional shares of First Horizon common stock will be issued in connection with the merger. Capital Bank Financial common stockholders who would otherwise be entitled to a fraction of a share of First Horizon common stock upon completion of the merger will instead receive, for the fraction of a share, an amount in cash (rounded to the nearest cent) based on the First Horizon share closing price. For a discussion of the treatment of awards outstanding under Capital Bank Financial's equity incentive plans as of the effective time, see "The Merger Agreement—Treatment of Capital Bank Financial Compensatory Equity Awards."

Capital Bank Financial Class A common stockholders are being asked to adopt the merger agreement and First Horizon shareholders are being asked to approve the issuance of First Horizon common stock in connection with the merger. See "The Merger Agreement" for additional and more detailed information regarding the legal documents that govern the mergers, including information about conditions to the completion of the merger and provisions for terminating or amending the merger agreement.

### Background of the Merger

Each of Capital Bank Financial's and First Horizon's board of directors and senior management has considered and has regularly reviewed its strategic direction and business objectives, including by evaluating strategic growth opportunities, as part of its continuous efforts to enhance value for its shareholders and other constituencies. These considerations have focused on, among other things, prospects and developments in the regulatory environment, in the economy generally and in financial markets, for financial institutions generally and Capital Bank Financial and First Horizon, respectively, in particular, as well as conditions and ongoing consolidation in the financial services industry, and the benefits and risks to shareholders of strategic combinations compared to the

benefits and risks of continued operation as a stand-alone bank, including the risks associated with competition, regulation, unpredictable market and credit risk, and rapid changes in technology.

From time to time, Capital Bank Financial has had general discussions with other financial institutions regarding the possibility of a potential future strategic transaction and has discussed this topic with representatives of Sandler O'Neill, UBS and other investment banking institutions. These discussions included reviews of the banking market, as well as industry trends and developments in mergers and acquisitions. During the fall and winter of 2016 – 2017, the Capital Bank Financial board of directors and management began more regularly discussing the potential for a strategic combination with a larger financial institution. After receiving feedback from a number of investment banking institutions regarding possible strategic alternatives, the Capital Bank Financial board of directors tasked the Nominating and Governance Committee of the Capital Bank Financial board of directors with making a recommendation to the Capital Bank Financial board of directors as to which investment banking institution or institutions would be best suited to assist in such a review.

On February 3, 2017, the Nominating and Governance Committee met to discuss the retention of a financial advisor to assist the Capital Bank Financial board of directors in its consideration of strategic alternatives and unanimously determined to recommend the engagement of Sandler O'Neill and UBS to explore strategic alternatives for the Capital Bank Financial board of directors.

On February 6, 2017, the Capital Bank Financial board of directors met and discussed with members of Capital Bank Financial's senior management the financial institutions believed by senior management, after consultation with representatives of Sandler O'Neill and UBS, to have a greater likelihood of serious interest in pursuing a combination transaction with Capital Bank Financial. Also at its meeting on February 6, 2017, the Capital Bank Financial board of directors approved retaining Sandler O'Neill and UBS as financial advisors to Capital Bank Financial to assist Capital Bank Financial's board of directors in exploring strategic alternatives for Capital Bank Financial. The Capital Bank Financial board of directors determined to retain Sandler O'Neill and UBS to act as Capital Bank Financial's financial advisors in connection with a possible transaction based on, among other factors, Sandler O'Neill and UBS's familiarity with Capital Bank Financial and Capital Bank Financial's strategic goals as well as Sandler O'Neill and UBS's reputation and experience generally in mergers and acquisitions, valuations, financing and capital markets and familiarity with the industry in which Capital Bank Financial competes, and their respective relationships with potential strategic partners for Capital Bank Financial.

Following the February 6, 2017 meeting of the Capital Bank Financial board of directors, and in accordance with Capital Bank Financial's instructions based on extensive consideration of the banking industry and the factors that would make a transaction with Capital Bank Financial strategically and financially attractive, representatives of Sandler O'Neill and UBS contacted seven financial institutions (including First Horizon) regarding their potential interest in pursuing a business combination transaction with Capital Bank Financial.

All seven of the financial institutions contacted expressed interest in discussing a potential business combination. Beginning on February 16, 2017 and in the weeks that followed, members of senior management of Capital Bank Financial management and representatives of Sandler O'Neill and UBS engaged in confidential preliminary exploratory discussions with representatives of each of the seven financial institutions that had been contacted (including First Horizon) regarding their potential interest in pursuing a business combination transaction with Capital Bank Financial. This included an in-person meeting on February 22, 2017 between representatives of Capital Bank Financial and First Horizon, including, among others, R. Eugene Taylor, Chairman and Chief Executive Officer of Capital Bank Financial, Christopher Marshall, Chief Financial Officer of Capital Bank Financial, D. Bryan Jordan, Chairman, President and Chief Executive Officer of First Horizon, William C. Losch III, Chief Financial Officer of First Horizon and David T. Popwell, President - Banking of First Horizon.

Between February 14, 2017 and February 23, 2017, Capital Bank Financial entered into mutual confidentiality agreements with five (including First Horizon) of the seven financial institutions that had been contacted. Each party that entered into a mutual confidentiality agreement was granted

access to certain non-public information relating to Capital Bank Financial and its business, operations and employees for the purpose of commencing more comprehensive documentary due diligence review of Capital Bank Financial. Subsequently, one of the five parties elected to pursue another transaction and discussions with that party ceased.

In early March, in accordance with Capital Bank Financial's instructions, representatives of Sandler O'Neill and UBS contacted the four (including First Horizon) remaining financial institutions that had executed mutual confidentiality agreements to formally request that each such party submit a non-binding preliminary indication of interest with respect to its proposed terms for a potential business combination transaction. In accordance with Capital Bank Financial's instructions, representatives of Sandler O'Neill and UBS also continued to discuss with the two financial institutions that had not entered into mutual confidentiality agreements the possibility of doing so and submitting a non-binding preliminary indication of interest.

On March 15, 2017, Bloomberg LP published a report stating that Capital Bank Financial was working with advisers to explore a sale after receiving an unsolicited approach (although no such unsolicited approach had been received) and that Capital Bank Financial had begun reaching out to potential buyers. The trading price of Capital Bank Financial Class A common stock, which on March 14, 2017 had closed at \$40.90, on March 15, 2017 closed at \$43.70. Following this media report, no additional indications of interest were received by Capital Bank Financial or its financial advisors.

On March 27, 2017, First Horizon submitted to Capital Bank Financial a written non-binding indication of interest proposing a merger transaction in which Capital Bank Financial common stockholders would receive a combination of cash and shares of First Horizon common stock. The stock component of the merger consideration was proposed to be based on a fixed exchange ratio in a range of 1.694 – 1.727 shares of First Horizon common stock per share of Capital Bank Financial common stock, and the cash component of the merger consideration was proposed to be in a range of \$7.70 – \$7.85 in cash per share of Capital Bank Financial common stock. Based on First Horizon's closing price on March 24, 2017, First Horizon indicated that its proposal equated to a total value of \$38.50 – \$39.25 per share of Capital Bank Financial common stock. In its non-binding indication of interest, First Horizon proposed that Mr. Taylor join First Horizon's board of directors following the merger and agree to render services to First Horizon for two years following the merger. In its non-binding indication of interest, First Horizon also requested that Capital Bank Financial agree to enter into a thirty-day period of exclusivity.

On March 30, 2017, the Capital Bank Financial board of directors held a special meeting at which representatives of Wachtell, Lipton, Rosen & Katz, Capital Bank Financial's legal counsel, were present. At the meeting, members of Capital Bank Financial senior management updated the Capital Bank Financial board of directors on the results of the discussions with each of the seven financial institutions that had been contacted and, in particular, that following the preliminary exploratory discussions, Capital Bank Financial had received a preliminary oral indication of interest (from one of the parties that had declined to enter into a mutual confidentiality agreement, which party is referred to as Party A) that did not give a specific price or range of prices it would be willing to pay in a merger transaction and one written indication of interest from First Horizon, a copy of which had been shared with the Capital Bank Financial board of directors and that no other party had submitted an indication of interest. The Capital Bank Financial board of directors discussed First Horizon's indication of interest as well as the impact of the recent price fluctuations in the trading prices of Capital Bank Financial's stock and First Horizon's stock on First Horizon's indication of interest. The Capital Bank Financial board of directors also discussed First Horizon's request for a thirty-day exclusivity period to conduct additional due diligence on Capital Bank Financial. Members of Capital Bank Financial's senior management informed the Capital Bank Financial board of directors that Party A had been repeatedly asked to submit a specific proposal to Capital Bank Financial but that Party A had not done so. After discussion, the Capital Bank Financial board of directors instructed Capital Bank's advisors to again request a specific proposal from Party A. The Capital Bank Financial board of directors also instructed Capital Bank's advisors to attempt to improve the First Horizon indication of interest. The Board authorized providing First

Horizon with exclusivity for a thirty-day period from acceptance of the non-binding indication of interest if Party A did not submit a proposal and First Horizon improved their indication of interest.

Following the March 30, 2017 meeting of the Capital Bank Financial board of directors, representatives of Sandler O'Neill and UBS discussed with representatives of Barclays, First Horizon's financial advisor, First Horizon's non-binding indication of interest and the request for exclusivity. In accordance with Capital Bank Financial's instructions, representatives of Sandler O'Neill and UBS requested that First Horizon improve the financial terms of its proposal, agree to add a second member of the Capital Bank Financial board of directors to the combined company's board of directors and agree to a collar mechanism relating to the exchange ratio for the stock component of the merger consideration.

Although Party A continued to express to Capital Bank Financial's financial advisors interest in a transaction, Party A declined to submit a written non-binding indication of interest, including the specific terms pursuant to which it would be willing to proceed with a transaction.

On April 4, 2017, First Horizon submitted an updated indication of interest providing for the stock component of the merger consideration to be based on a fixed exchange ratio in a range of 1.72 – 1.74 First Horizon shares per share of Capital Bank Financial common stock and for the cash component of the merger consideration to be in a range of \$7.70 – \$7.90 in cash per share of Capital Bank Financial common stock. Based on First Horizon's closing price on April 3, 2017, First Horizon's updated proposal equated to a total value of \$39.33 – \$39.90 per share of Capital Bank Financial common stock. First Horizon also confirmed that it would appoint two members of the Capital Bank Financial board of directors to the combined company's board of directors following the merger. On April 5, 2017 Capital Bank Financial and First Horizon entered into an exclusivity agreement providing for an exclusive negotiation period through May 5, 2017.

Thereafter, Capital Bank Financial made available to First Horizon additional due diligence materials relating to Capital Bank Financial on a confidential basis. First Horizon's due diligence investigation of Capital Bank Financial continued over the next several weeks, with Capital Bank Financial providing detailed non-public information and making select executives and other employees available to First Horizon to facilitate its evaluation.

Capital Bank Financial also requested certain "reverse" due diligence information concerning First Horizon and its business, operations and regulatory relationships. During the month of April, Capital Bank Financial conducted a "reverse" due diligence review of non-public information regarding First Horizon, including in-person meetings in Memphis on April 26, 2017.

First Horizon management reviewed the status of the transaction with First Horizon's board of directors and with representatives of Barclays and Morgan Stanley, First Horizon's financial advisors.

On April 17, 2017, Sullivan & Cromwell LLP, First Horizon's legal counsel, provided Wachtell Lipton a draft merger agreement and the parties began to negotiate transaction documentation simultaneously with the ongoing due diligence investigations. Subsequently, on April 23, 2017, Wachtell Lipton provided Sullivan & Cromwell a revised draft merger agreement which, among other things, provided for an election between cash consideration and stock consideration.

On April 21, 2017, Sullivan & Cromwell provided Wachtell Lipton a draft support agreement that First Horizon proposed to require Mr. Taylor and certain affiliates of each of Crestview Partners and Oak Hill Capital Partners, which were among the largest stockholders of Capital Bank Financial and which had representatives serving on Capital Bank Financial's board of directors, to execute in connection with a proposed transaction. The draft support agreement would require each signatory to, among other things, vote in favor of the adoption of the merger agreement. The parties began to negotiate the support agreements simultaneously with the merger agreement.

On April 24 and 25, 2017, during regular quarterly board meetings, First Horizon management updated First Horizon's board of directors regarding the status of negotiations with Capital Bank Financial. First Horizon's financial advisors participated in these discussions.

On April 28, 2017, First Horizon submitted, in writing, an affirmation of its proposal for a business combination with Capital Bank Financial in which Capital Bank Financial common stockholders would receive 1.74 shares of First Horizon common stock and \$7.90 in cash per share

of Capital Bank Financial common stock. However, First Horizon declined to provide a collar based on its view that the merger consideration provisions, and in particular the fixed cash component, operate as a collar.

On April 30, 2017, the Capital Bank Financial board of directors held a special meeting to review and consider the First Horizon proposal. Representatives of Sandler O'Neill, UBS and Wachtell Lipton were at the meeting. At the meeting, representatives of Wachtell Lipton and members of Capital Bank Financial management reviewed with the Capital Bank Financial board of directors the reverse diligence that had been conducted on First Horizon, including with respect to financial, credit, legal, regulatory, compliance and other matters. Representatives of Sandler O'Neill discussed the recent market volatility and financial aspects of Capital Bank Financial, First Horizon and the pro forma combined company, and reviewed the financial terms of the potential transaction. Representatives of Sandler O'Neill also discussed with the Capital Bank Financial board of directors the environment for other strategic alternatives available to Capital Bank Financial. Representatives of Sandler O'Neill discussed on a preliminary basis the delivery of a fairness opinion to the Capital Bank Financial board of directors if requested to do so by Capital Bank Financial. The Capital Bank Financial board of directors instructed Mr. Taylor to seek an improvement in the exchange ratio for the stock component of the merger consideration from 1.74 to 1.76 shares of First Horizon common stock per share of Capital Bank Financial common stock and to continue negotiating and finalizing the transaction documentation.

Following the Capital Bank Financial board of directors meeting on April 30, 2017, Mr. Taylor contacted Mr. Jordan and proposed that the stock component of the merger consideration be based on a fixed exchange ratio of 1.76 shares of First Horizon common stock per share of Capital Bank Financial common stock.

On May 1, 2017, Mr. Jordan contacted Mr. Taylor to inform him that First Horizon would agree to increase the stock component of the merger consideration by roughly \$9.5 million, by increasing the fixed exchange ratio to 1.75 shares of First Horizon common stock per share of Capital Bank Financial common stock, midway between First Horizon's earlier proposal of 1.74 and Capital Bank Financial's most recent counter of 1.76.

First Horizon earlier had indicated to Capital Bank Financial that First Horizon desired for Mr. Taylor to have a significant role with the combined company. They decided to defer serious discussions regarding Mr. Taylor's employment until the corporate negotiations were substantially complete. On May 1, 2017, Sullivan & Cromwell provided Wachtell Lipton a draft employment agreement between First Horizon and Mr. Taylor providing for the terms of Mr. Taylor's employment by First Horizon following the completion of a transaction. The parties and their respective advisors discussed and negotiated the terms of the draft agreement.

On May 3, 2017, the First Horizon board of directors held a special meeting to consider the terms of the proposed transaction with Capital Bank Financial. Representatives of the First Horizon management team and of Barclays and Morgan Stanley, First Horizon's financial advisors, and Sullivan & Cromwell were also in attendance. Prior to the meeting, the directors received copies of an updated draft merger agreement and an updated summary of merger agreement from Sullivan & Cromwell, as well as materials prepared by Barclays and Morgan Stanley. At the meeting, a representative of First Horizon management reviewed the terms of the merger agreement and a representative from Sullivan & Cromwell reviewed the fiduciary duties of the First Horizon board of directors in connection with the approval of the merger agreement and other legal considerations. In addition, representatives of each of Barclays and Morgan Stanley reviewed their financial analyses of the proposed transaction, which are summarized under "—Opinions of First Horizon's Financial Advisors—Barclays Capital Inc." and "—Opinions of First Horizon's Financial Advisors—Morgan Stanley & Co. LLC," and rendered to the First Horizon board of directors their oral opinions, subsequently confirmed in writing, to the effect that, as of such date and based upon and subject to the various assumptions made, procedures followed, matters considered, and qualifications and limitations on the review undertaken in preparing their respective opinions, the merger consideration to be paid by First Horizon pursuant to the merger agreement was fair from a financial point of view to First Horizon. See "—Opinions of First Horizon's Financial Advisors—Barclays Capital Inc."



and “—Opinions of First Horizon’s Financial Advisors—Morgan Stanley & Co. LLC.” Following these discussions, the First Horizon board of directors unanimously determined that the merger agreement, and the transactions contemplated thereby, were advisable, fair to, and in the best interests of, First Horizon and its shareholders, and adopted and approved the merger agreement and the transactions contemplated thereby.

On May 3, 2017, the Capital Bank Financial board of directors held another special meeting to review and consider the final proposal from First Horizon. Representatives of Sandler O’Neill, UBS and Wachtell Lipton attended the meeting. Prior to the meeting, the directors received copies of an updated draft merger agreement and a summary of the terms of the merger agreement and related matters from Wachtell Lipton, as well as materials prepared by Sandler O’Neill. At the meeting, representatives of Wachtell Lipton reviewed with the Capital Bank Financial board of directors its fiduciary duties in connection with a potential strategic business combination transaction and reviewed the process the Capital Bank Financial board of directors had conducted to date. Members of Capital Bank Financial’s management team updated the Capital Bank Financial board of directors on the progression of negotiations with First Horizon since the last meeting of the Capital Bank Financial board of directors. Representatives of Wachtell Lipton reviewed the terms of the draft merger agreement, including the treatment of equity awards and the payments to which members of senior management would be entitled, with the Capital Bank Financial board of directors.

Also at the May 3, 2017 meeting and at the request of Capital Bank Financial, Sandler O’Neill reviewed with the Capital Bank Financial board of directors the financial aspects of the proposed transaction and Sandler O’Neill’s financial analysis of the per share merger consideration and rendered to the Capital Bank Financial board of directors an oral opinion, which was subsequently confirmed in writing, to the effect that, as of such date and based upon and subject to the various assumptions made, procedures followed, matters considered, and qualifications and limitations on the review undertaken in preparing its opinion, the per share merger consideration to be received by the holders of Capital Bank Financial common stock in the merger was fair to such holders from a financial point of view. See “—Opinion of Capital Bank Financial’s Financial Advisor.” Following these discussions, the Capital Bank Financial board of directors unanimously determined that the merger agreement, and the transactions contemplated thereby, were advisable, fair to, and in the best interests of, Capital Bank Financial and its shareholders, and approved the merger agreement and the transactions contemplated thereby, including the mergers and the bank merger, and resolved to recommend that the merger agreement be adopted by Capital Bank Financial’s shareholders at a shareholders’ meeting duly called and held for such purpose.

Following the meetings of the Capital Bank Financial and First Horizon boards of directors, Capital Bank Financial and First Horizon executed the merger agreement on the evening of May 3, 2017. On the morning of May 4, 2017, Capital Bank Financial and First Horizon announced the execution of the merger agreement.

### **First Horizon’s Reasons for the Merger; Recommendation of the First Horizon Board of Directors**

In reaching its decision to adopt and approve the merger agreement, the mergers and the other transactions contemplated by the merger agreement, including the stock issuance, and to recommend that First Horizon’s shareholders approve the issuance of First Horizon common stock in connection with the merger, the First Horizon board of directors consulted with First Horizon management, as well as its independent financial and legal advisors, and considered a number of factors, including the following material factors:

- each of First Horizon’s and Capital Bank Financial’s business, operations, financial condition, asset quality, earnings and prospects. In reviewing these factors, the First Horizon board of directors considered its view that Capital Bank Financial’s business and operations complement those of First Horizon, and that the merger and the other transactions contemplated by the merger agreement would result in a larger market presence, a strengthened business mix and increased core deposit funding. The board of directors further considered that Capital Bank Financial’s earnings and prospects, and the synergies potentially available in the proposed merger, create the opportunity for First Horizon to have enhanced

future earnings and prospects following the merger compared to First Horizon's earnings and prospects on a stand-alone basis. In particular, the First Horizon board of directors considered the following:

- the enhanced economies of scale that may be achieved by the combined company and its expected pro forma position as the fourth largest regional bank in the Southeast following the merger;
- the complementary nature of First Horizon's business and operations, including First Horizon's longstanding presence in Tennessee, and Capital Bank Financial's strong presence in the Carolinas and Florida, that would provide meaningful enhancement to First Horizon's existing customer base;
- the expanded possibilities, including organic growth and future acquisitions, that would be available to the combined company, given its larger size, asset base, capital, and footprint;
- management's views regarding Capital Bank Financial's underwriting standards and processes as well as its lending relationships;
- the enhanced organic growth opportunities through the potential to offer the full First Horizon product set to Capital Bank Financial's customers and prospective customers;
- the expectation that the bank merger will accelerate First Horizon's realization of its "bonefish" financial targets, improving return, profitability, and efficiency ratio profile;
- Capital Bank Financial's operations in the Carolinas and Florida banking markets, which enhances First Horizon's footprint and deposit gathering opportunities in these fast growing markets;
- the expectation that the mergers will result in significant annual cost savings;
- the anticipated pro forma impact of the merger on the combined company, including the expected impact on financial metrics, including earnings, dividends, return on equity, tangible book value dilution (and earn-back period), asset quality, liquidity and regulatory capital levels;
- the participation of two of Capital Bank Financial's directors in the combined company, which may enhance the likelihood that the strategic benefits that First Horizon expects to achieve as a result of the merger will be realized;
- First Horizon's past record of integrating acquisitions and of realizing projected financial goals and benefits of acquisitions;
- the current and prospective environment in which First Horizon and Capital Bank Financial operate, including national and local economic conditions, the interest rate environment, increasing operating costs resulting from regulatory initiatives and compliance mandates, the competitive environment for financial institutions generally, and the likely effect of these factors on First Horizon both with and without the merger;
- the terms of the merger agreement;
- its review and discussions with First Horizon's management concerning the due diligence examination of Capital Bank Financial's business;
- the fact that First Horizon's shareholders will have the opportunity to vote on the stock issuance in connection with the merger;
- the oral opinion of Barclays Capital Inc. and Morgan Stanley & Co. LLC, First Horizon's financial advisors, to the First Horizon board of directors, subsequently confirmed in writing, to the effect that, as of the date of the opinion and based upon and subject to the various assumptions made, procedures followed, matters considered, and qualifications and limitations on the review undertaken in preparing their respective opinions, the merger consideration to be paid by First Horizon pursuant to the merger agreement was fair from a financial point of view to First Horizon, as more fully described below in the sections entitled "—Opinions of First Horizon's Financial Advisors—Barclays Capital Inc." and "—Opinions of First Horizon's Financial Advisors—Morgan Stanley & Co. LLC"; and

- its review with its financial advisors of the financial terms of the merger agreement and its review with its legal advisors of the other terms of the merger agreement, including the tax treatment, deal protection and termination provisions.

The First Horizon board of directors also considered the potential risks related to the merger but concluded that the anticipated benefits of the merger were likely to substantially outweigh these risks. These potential risks include:

- the possibility of encountering difficulties in achieving anticipated cost synergies and savings in the amounts estimated or in the time frame contemplated;
- the possibility of encountering difficulties in successfully integrating Capital Bank Financial's business, operations, and workforce with those of First Horizon;
- certain anticipated merger-related costs;
- the potential diversion of management attention and resources from the operation of First Horizon's business towards the completion of the merger;
- the regulatory and other approvals required in connection with the merger and the bank merger and the risk that such regulatory approvals will not be received in a timely manner or may impose unacceptable conditions;
- the possibility that divestitures may be required by regulatory authorities in one or more markets in which First Horizon and Capital Bank Financial compete;
- the potential for legal claims challenging the merger; and
- the merger's effect on First Horizon's regulatory capital levels.

The foregoing discussion of the information and factors considered by the First Horizon board of directors is not intended to be exhaustive, but includes the material factors considered by the First Horizon board of directors. In reaching its decision to approve the merger agreement, the mergers, and the other transactions contemplated by the merger agreement, including the stock issuance, the First Horizon board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The First Horizon board of directors considered all these factors as a whole, including discussions with, and questioning of, First Horizon's management and First Horizon's independent financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

For the reasons set forth above, the First Horizon board of directors determined that the mergers, the merger agreement and the transactions contemplated by the merger agreement, including the stock issuance, are advisable and in the best interests of First Horizon, and adopted and approved the merger agreement and the transactions contemplated by it.

The First Horizon board of directors recommends that First Horizon shareholders vote **"FOR"** the approval of the First Horizon stock issuance proposal and **"FOR"** the First Horizon adjournment proposal.

It should be noted that the explanation of the First Horizon board of directors' reasoning in this section contains information that is forward-looking in nature, and therefore should be read in light of the factors discussed under the heading "Cautionary Statement Regarding Forward-Looking Statements."

### **Capital Bank Financial's Reasons for the Merger; Recommendation of the Capital Bank Financial Board of Directors**

After careful consideration, the Capital Bank Financial board of directors, at a meeting held on May 3, 2017, determined that the merger with First Horizon is in the best interests of Capital Bank Financial and its common stockholders and approved and declared advisable the merger agreement and the transactions contemplated therein, including the merger, and recommends that Capital Bank Financial's common stockholders vote **"FOR"** the adoption of the Capital Bank Financial merger proposal. In reaching its decision to approve and recommend the adoption of the merger agreement, the Capital Bank Financial board of directors evaluated the merger in consultation with Capital

Bank Financial's management, as well as Capital Bank Financial's financial and legal advisors, and considered a number of factors, including the following material factors:

- each of Capital Bank Financial's, First Horizon's and the combined company's business, operations, financial condition, asset quality, earnings and prospects;
- the complementary nature of First Horizon's business and operations, including First Horizon's longstanding presence in Tennessee, and Capital Bank Financial's strong presence in the Carolinas and Florida, each of which represents growth markets for the combined company;
- the fact that the combined company intends to operate in all of its markets outside of Tennessee under the Capital Bank brand name, which is expected to facilitate a smooth transaction for Capital Bank Financial's customers and other stakeholders;
- the enhanced organic growth opportunities through the potential to offer the full First Horizon product set to Capital Bank Financial's customers and prospective customers;
- the enhanced economies of scale that may be achieved by the combined company and its expected pro forma position as the fourth largest regional bank in the Southeast following the merger as well as the expanded possibilities that would be available to the combined company given its larger size, asset base and capital;
- First Horizon's legacy of operating in the banking industry for over a hundred and fifty years;
- the anticipated pro forma impact of the merger on the combined company, including the expected impact on financial metrics, including earnings, dividends, return on equity, tangible book value dilution (and earn-back period) and regulatory capital levels;
- the fact that the merger would enable Capital Bank Financial common stockholders, who will own approximately 28% of the combined company, to participate in the future earnings and growth of the combined company;
- the current and prospective environment in which Capital Bank Financial and First Horizon operate, including national and local economic conditions, the interest rate environment, increasing operating costs resulting from regulatory initiatives and compliance mandates, including in Capital Bank Financial's case as a result of its total assets having recently grown to \$10 billion, the competitive environment for financial institutions generally, and the likely effect of these factors on Capital Bank Financial both with and without the proposed transaction;
- First Horizon's assurance to Capital Bank Financial that First Horizon was unaware of any meaningful regulatory or other obstacle to closing the transaction on a reasonably timely basis;
- its consideration that the transaction with First Horizon was more favorable to Capital Bank Financial common stockholders than the potential value that might result from other alternatives reasonably available to Capital Bank Financial, including
  - its consideration, in consultation with Capital Bank Financial's management and with Capital Bank Financial's financial and legal advisors, of the prospects of Capital Bank Financial as an independent company,
  - the fact that Capital Bank Financial and its financial advisors had contacted multiple financial institutions believed by Capital Bank Financial to have a significant likelihood of having a serious interest in a business combination with Capital Bank Financial and
  - the likelihood of an alternative transaction in light of the fact that rumors of a transaction were reported by Bloomberg on March 15, 2017 and that no unsolicited indications of interest in combining with or acquiring Capital Bank Financial were received after the publication of those media reports;
- the form of consideration, including the cash consideration, which would ensure that a portion of the value of the merger consideration would not be subject to potential downward fluctuations in the price of First Horizon common stock, and the fact that a substantial

majority of the merger consideration would be in stock, which would allow Capital Bank Financial's shareholders to participate in the future performance of the combined company;

- the fact that Capital Bank Financial's shareholders would have the right to elect to receive the merger consideration either in cash or First Horizon common stock, subject to adjustment;
- its belief that First Horizon common stock represented an attractive form of consideration for Capital Bank Financial common stockholders, both because of its expectation that Capital Bank Financial common stockholders would benefit from holding such consideration and benefiting from the strategic value of the combination over the long term and because of the greater market liquidity of First Horizon common stock, based on its average daily trading volumes, as compared to Capital Bank Financial common stock;
- its review and discussions with Capital Bank Financial's management concerning the due diligence examination of the business of First Horizon;
- the soundness of First Horizon's capital position and management's expectation that the combined company will have a strong capital position upon completion of the transaction;
- the fact that the merger agreement provides that two members of the Capital Bank Financial board of directors, including Chairman and Chief Executive Officer, R. Eugene Taylor, would join the board of First Horizon following the merger;
- the anticipated continued participation of certain of Capital Bank Financial's employees in the combined company, which may enhance the likelihood that the expected strategic benefits of the merger will be realized;
- the expectation that the mergers, taken together, will qualify as a "reorganization" for United States federal income tax purposes;
- the written opinion of Sandler O'Neill, dated May 3, 2017, delivered to the Capital Bank Financial board of directors to the effect that, as of that date, and subject to and based on the various assumptions, considerations, qualifications and limitations set forth in the opinion, the merger consideration to be received by the holders of Capital Bank Financial common stock in the merger was fair, from a financial point of view, to the holders of Capital Bank Financial common stock; and
- the terms and conditions of the merger agreement and their comparability to those in other recent merger transactions in the banking industry.

The board of directors of Capital Bank Financial also considered the potential risks related to the merger but concluded that the anticipated benefits of the merger were likely to substantially outweigh these risks. These potential risks included:

- the fact that the implied value of the merger consideration, based on First Horizon's stock price on May 2, 2017, represented a discount of approximately 3.2% to the closing price of Capital Bank Financial common stock on May 2, 2017, and risk that the market would react negatively to the announcement of the merger transaction;
- the potential risks associated with integrating Capital Bank Financial's and First Horizon's operations, including integrating their workforces, and the ability to achieve anticipated synergies;
- the transaction-related restructuring charges and other merger-related costs;
- with most of the merger consideration consisting of First Horizon common stock, the potential for the consideration to be paid to Capital Bank Financial common stockholders to be adversely affected by a decrease in the trading price of First Horizon common stock;
- the nature and amount of payments to be received by Capital Bank Financial's management in connection with the merger;
- the fact that the merger agreement includes certain provisions that prohibit Capital Bank Financial from soliciting alternative transactions and from taking certain actions in response to unsolicited proposals for alternative transactions;

- Capital Bank Financial's obligation to pay First Horizon a termination fee of \$85 million in certain circumstances;
- the potential for diversion of management and employee attention from the operation of Capital Bank Financial's business and towards the completion of the merger as well as the potential for employee attrition and the potential effect on Capital Bank Financial's relationships with customers, service providers and other stakeholders during the pendency of the merger;
- the potential that as a result of the allocation and proration provisions of the merger agreement, designed to ensure that a fixed cash component be paid as merger consideration, an election of the form of merger consideration might not be honored and a common stockholder may not receive the form of consideration elected;
- the regulatory and other approvals required in connection with the merger and the possibility that such regulatory approvals will not be received in a timely manner or may impose unacceptable conditions; and
- the potential for legal claims challenging the merger.

The foregoing discussion of the information and factors considered by the Capital Bank Financial board of directors is not intended to be exhaustive, but includes the material factors considered by the Capital Bank Financial board of directors. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the Capital Bank Financial board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The Capital Bank Financial board of directors considered all these factors as a whole and overall considered the factors to be favorable to, and to support, its determination.

### Opinion of Capital Bank Financial's Financial Advisor

Capital Bank Financial retained Sandler O'Neill to act as financial advisor to Capital Bank Financial in connection with Capital Bank Financial's consideration of a possible business combination. Sandler O'Neill is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Sandler O'Neill is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

Sandler O'Neill acted as financial advisor to Capital Bank Financial in connection with the proposed merger and participated in certain of the negotiations leading to the execution of the merger agreement. At the May 3, 2017 meeting at which Capital Bank Financial's board of directors considered and approved the merger agreement, Sandler O'Neill delivered to the Capital Bank Financial board of directors its oral opinion, which was subsequently confirmed in writing on May 3, 2017, to the effect that, as of such date, the merger consideration was fair to the holders of Capital Bank Financial common stock from a financial point of view. **The full text of Sandler O'Neill's opinion is attached as Annex E to this joint proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the full text of the opinion. Capital Bank Financial common stockholders are urged to read the entire opinion carefully in connection with their consideration of the proposed merger.**

**Sandler O'Neill's opinion speaks only as of the date of the opinion. The opinion was directed to Capital Bank Financial's board of directors in connection with its consideration of the merger agreement and the merger and does not constitute a recommendation to any shareholder of Capital Bank Financial as to how any such shareholder should vote at any meeting of shareholders called to consider and vote upon the approval of the merger agreement and the merger or what election to make regarding the per share stock consideration, the per share cash consideration or any combination thereof. Sandler O'Neill's opinion was directed only to the fairness, from a financial point of view, of the merger consideration to the holders of Capital Bank Financial common stock,**

without regard to differences between Capital Bank Financial Class A common stock and Capital Bank Financial Class B common stock, and did not address the relative fairness of the merger consideration between holders of Capital Bank Financial Class A common stock and holders of Capital Bank Financial Class B common stock, the allocation of the merger consideration between cash and First Horizon common stock or the relative fairness of the per share stock consideration and the per share cash consideration. Sandler O'Neill's opinion does not address the underlying business decision of Capital Bank Financial to engage in the merger, the form or structure of the merger or any other transactions contemplated in the merger agreement, the relative merits of the merger as compared to any other alternative transactions or business strategies that might exist for Capital Bank Financial or the effect of any other transaction in which Capital Bank Financial might engage. Sandler O'Neill did not express any opinion as to the fairness of the amount or nature of the compensation to be received in the merger by any officer, director or employee of Capital Bank Financial or First Horizon, or any class of such persons, if any, relative to the compensation to be received in the merger by any other shareholder. Sandler O'Neill's opinion was approved by Sandler O'Neill's fairness opinion committee.

In connection with its opinion, Sandler O'Neill reviewed and considered, among other things:

- An execution version of the merger agreement, dated May 3, 2017;
- Certain publicly available financial statements and other historical financial information of Capital Bank Financial that Sandler O'Neill deemed relevant;
- Certain publicly available financial statements and other historical financial information of First Horizon that Sandler O'Neill deemed relevant;
- Publicly available mean analyst earnings per share estimates for Capital Bank Financial for the years ending December 31, 2017 and December 31, 2018, and estimated long-term annual earnings per share growth rate and dividend assumptions for Capital Bank Financial, as provided by the senior management of Capital Bank Financial;
- Publicly available mean analyst earnings per share estimates for First Horizon for the years ending December 31, 2017 and December 31, 2018, as provided by the senior management of First Horizon, and a publicly available mean analyst estimated long-term annual earnings per share growth rate for First Horizon, as directed by the senior management of Capital Bank Financial;
- The pro forma financial impact of the merger on First Horizon based on certain assumptions relating to purchase accounting adjustments, cost savings and transaction expenses, as provided by the senior management of First Horizon;
- The publicly reported historical price and trading activity for Capital Bank Financial Class A common stock and First Horizon common stock, including a comparison of certain stock market information for Capital Bank Financial Class A common stock and First Horizon common stock and certain stock indices as well as publicly available information for certain other similar companies, the securities of which were publicly traded;
- A comparison of certain financial information for Capital Bank Financial and First Horizon with similar institutions for which information was publicly available;
- The financial terms of certain recent business combinations in the bank and thrift industry (on a nationwide basis), to the extent publicly available;
- The current market environment generally and the banking environment in particular; and
- Such other information, financial studies, analyses and investigations and financial, economic and market criteria as Sandler O'Neill considered relevant.

Sandler O'Neill also discussed with certain members of the senior management of Capital Bank Financial the business, financial condition, results of operations and prospects of Capital Bank Financial and held similar discussions with certain members of the senior management of First Horizon regarding the business, financial condition, results of operations and prospects of First Horizon.

In performing its review, Sandler O'Neill relied upon the accuracy and completeness of all of the financial and other information that was available to and reviewed by Sandler O'Neill from public sources, that was provided to Sandler O'Neill by Capital Bank Financial or First Horizon or their respective representatives or that was otherwise reviewed by Sandler O'Neill, and Sandler O'Neill assumed such accuracy and completeness for purposes of rendering its opinion without any independent verification or investigation. Sandler O'Neill relied on the assurances of the respective managements of Capital Bank Financial and First Horizon that they were not aware of any facts or circumstances that would make any of such information inaccurate or misleading. Sandler O'Neill was not asked to undertake, and did not undertake, an independent verification of any of such information and Sandler O'Neill did not assume any responsibility or liability for the accuracy or completeness thereof. Sandler O'Neill did not make an independent evaluation or perform an appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of Capital Bank Financial or First Horizon or any of their respective subsidiaries, nor was Sandler O'Neill furnished with any such evaluations or appraisals. Sandler O'Neill rendered no opinion or evaluation on the collectability of any assets or the future performance of any loans of Capital Bank Financial or First Horizon. Sandler O'Neill did not make an independent evaluation of the adequacy of the allowance for loan losses of Capital Bank Financial or First Horizon, or of the combined entity after the merger, and Sandler O'Neill did not review any individual credit files relating to Capital Bank Financial or First Horizon. Sandler O'Neill assumed, with Capital Bank Financial's consent, that the respective allowances for loan losses for both Capital Bank Financial and First Horizon are adequate to cover such losses and would be adequate on a pro forma basis for the combined entity.

In preparing its analyses, Sandler O'Neill used publicly available mean analyst earnings per share estimates for Capital Bank Financial for the years ending December 31, 2017 and December 31, 2018, and estimated long-term annual earnings per share growth rate and dividend assumptions for Capital Bank Financial, as provided by the senior management of Capital Bank Financial, as well as publicly available mean analyst earnings per share estimates for First Horizon for the years ending December 31, 2017 and December 31, 2018, as provided by the senior management of First Horizon. Sandler O'Neill also received and used in its pro forma analyses certain assumptions relating to purchase accounting adjustments, cost savings and transaction expenses, as provided by the senior management of First Horizon. With respect to the foregoing information, the respective senior managements of Capital Bank Financial and First Horizon confirmed to Sandler O'Neill that such information reflected (or, in the case of the publicly available mean analyst earnings per share estimates referred to above, was consistent with) the best currently available estimates and judgments of those respective senior managements as to the future financial performance of Capital Bank Financial and First Horizon, respectively, and the other matters covered thereby. With respect to the publicly available mean analyst estimated long-term annual earnings per share growth rate for First Horizon referred to above used by Sandler O'Neill as directed by the senior management of Capital Bank Financial, Sandler O'Neill was advised by such senior management and assumed that such growth rate reflected a reasonable estimate as to the future financial performance of First Horizon. Sandler O'Neill assumed that the future financial performance reflected in all of the foregoing information used by Sandler O'Neill would be achieved, and Sandler O'Neill expressed no opinion as to such information, or the assumptions on which such information was based. Sandler O'Neill also assumed that there has been no material change in the respective assets, financial condition, results of operations, business or prospects of Capital Bank Financial or First Horizon since the date of the most recent financial statements made available to Sandler O'Neill. Sandler O'Neill has assumed in all respects material to its analysis that Capital Bank Financial and First Horizon would remain as going concerns for all periods relevant to Sandler O'Neill's analysis.

Sandler O'Neill also assumed, with Capital Bank Financial's consent, that (i) each of the parties to the merger agreement would comply in all material respects with all material terms and conditions of the merger agreement and all related agreements, that all of the representations and warranties contained in such agreements were true and correct in all material respects, that each of the parties to such agreements would perform in all material respects all of the covenants and other



obligations required to be performed by such party under such agreements and that the conditions precedent in such agreements were not and would not be waived, (ii) in the course of obtaining the necessary regulatory or third party approvals, consents and releases with respect to the merger, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on Capital Bank Financial, First Horizon or the merger or any related transaction, (iii) the merger and related transactions (including, without limitation, the second step merger and the bank merger) will be consummated in accordance with the terms of the merger agreement without any waiver, modification or amendment of any material term, condition or agreement thereof and in compliance with all applicable laws and other requirements, and (iv) the mergers would qualify as a tax-free reorganization for federal income tax purposes. Sandler O'Neill expressed no opinion as to any of the legal, accounting or tax matters relating to the merger or any other transactions contemplated by the merger agreement.

Sandler O'Neill's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Sandler O'Neill as of, the date of its opinion. Events occurring after the date of the opinion could materially affect Sandler O'Neill's opinion. Sandler O'Neill did not undertake to update, revise, reaffirm or withdraw its opinion or otherwise comment upon events occurring after the date of its opinion. Sandler O'Neill expressed no opinion as to the trading values of Capital Bank Financial Class A common stock or First Horizon common stock at any time or what the value of First Horizon common stock would be once shares of First Horizon common stock are actually received by the Capital Bank Financial common stockholders.

In rendering its opinion, Sandler O'Neill performed a variety of financial analyses. The summary below is not a complete description of the analyses underlying Sandler O'Neill's opinion or the presentation made by Sandler O'Neill to Capital Bank Financial's board of directors, but is a summary of all material analyses performed and presented by Sandler O'Neill. The summary includes information presented in tabular format. **In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses.** The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Sandler O'Neill believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in Sandler O'Neill's comparative analyses described below is identical to Capital Bank Financial or First Horizon and no transaction is identical to the merger. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of Capital Bank Financial and First Horizon and the companies to which they are being compared. In arriving at its opinion, Sandler O'Neill did not attribute any particular weight to any analysis or factor that it considered. Rather, Sandler O'Neill made qualitative judgments as to the significance and relevance of each analysis and factor. Sandler O'Neill did not form an opinion as to whether any individual analysis or factor (positive or negative) considered in isolation supported or failed to support its opinion; rather, Sandler O'Neill made its determination as to the fairness of the merger consideration on the basis of its experience and professional judgment after considering the results of all its analyses taken as a whole.

In performing its analyses, Sandler O'Neill also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which cannot be predicted and are beyond the control of Capital Bank Financial, First Horizon and Sandler O'Neill. The analyses performed by Sandler O'Neill are not necessarily indicative of actual values or future results, both of which may be significantly more or less favorable than suggested by such analyses. Sandler O'Neill prepared its analyses solely for purposes of rendering its opinion and

provided such analyses to Capital Bank Financial's board of directors at its May 3, 2017 meeting. Estimates on the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Such estimates are inherently subject to uncertainty, and actual values may be materially different. Accordingly, Sandler O'Neill's analyses do not necessarily reflect the value of Capital Bank Financial common stock or the prices at which Capital Bank Financial common stock or First Horizon common stock may be sold at any time. The analyses of Sandler O'Neill and its opinion were among a number of factors taken into consideration by Capital Bank Financial's board of directors in making its determination to approve the merger agreement, and the analyses described below should not be viewed as determinative of the decision of Capital Bank Financial's board of directors or management with respect to the fairness of the merger.

**Summary of Proposed Merger Consideration and Implied Transaction Metrics.** Sandler O'Neill reviewed the financial terms of the proposed transaction. Sandler O'Neill calculated an implied transaction price per share of \$40.38, or an aggregate implied transaction value of approximately \$2.16 billion, consisting of the sum of (i) \$7.90 plus (ii) the implied value of 1.75 shares of First Horizon common stock based on the closing price of First Horizon common stock on May 2, 2017. Based upon financial information for Capital Bank Financial as of or for the last twelve months ("LTM") ended March 31, 2017 and publicly available mean analyst earnings per share estimates for Capital Bank Financial for the years ending December 31, 2017 and December 31, 2018, Sandler O'Neill calculated the following implied transaction metrics:

Implied Transaction Price / LTM Earnings Per Share	27.8x
Implied Transaction Price / 2017E Earnings Per Share	21.1x
Implied Transaction Price / 2018E Earnings Per Share	18.2x
Implied Transaction Price / March 31, 2017 Book Value Per Share	160%
Implied Transaction Price / March 31, 2017 Tangible Book Value Per Share	201%
Implied Transaction Price / March 31, 2017 Adjusted Tangible Book Value Per Share <sup>(1)</sup>	219%
Tangible Book Premium / Core Deposits <sup>(2)</sup>	15.6%
Market Premium as of May 2, 2017	(3.2%)
Market Premium as of March 14, 2017 <sup>(3)</sup>	(1.3%)

<sup>(1)</sup> Reflects multiple paid on "normalized" tangible common equity/tangible assets ratio of 9.0% and dollar for dollar on all excess capital

<sup>(2)</sup> Core deposits equal total deposits less CDs greater than \$100,000; information on jumbo deposits provided by Capital Bank Financial management

<sup>(3)</sup> Based on the closing price on the trading day prior to the March 15, 2017 news report regarding rumors of a possible sale of Capital Bank Financial

**Stock Trading History.** Sandler O'Neill reviewed the historical share price performance of Capital Bank Financial common stock and First Horizon common stock for both the one-year and three-year periods ended May 2, 2017. Sandler O'Neill then compared the relationship between the share price performance of Capital Bank Financial Class A common stock and First Horizon common stock, respectively, to stock price movements in their respective peer groups (as described below) as well as certain share indices.

#### Capital Bank Financial One-Year Stock Price Performance

	Beginning May 2, 2016	Ending May 2, 2017
Capital Bank Financial	100%	136.4%
Capital Bank Financial Regional Peer Group	100%	126.0%
Capital Bank Financial Capitalization Peer Group	100%	127.2%
SNL U.S. Bank Index	100%	129.7%
S&P 500 Index	100%	114.9%

**Capital Bank Financial Three-Year Stock Price Performance**

	<b>Beginning May 2, 2014</b>	<b>Ending May 2, 2017</b>
Capital Bank Financial	100%	175.9%
Capital Bank Financial Regional Peer Group	100%	152.8%
Capital Bank Financial Capitalization Peer Group	100%	148.3%
SNL U.S. Bank Index	100%	136.6%
S&P 500 Index	100%	127.1%

**First Horizon One-Year Stock Price Performance**

	<b>Beginning May 2, 2016</b>	<b>Ending May 2, 2017</b>
First Horizon	100%	130.3%
First Horizon Peer Group	100%	134.4%
SNL U.S. Bank Index	100%	129.7%
S&P 500 Index	100%	114.9%

**First Horizon Three-Year Stock Price Performance**

	<b>Beginning May 2, 2014</b>	<b>Ending May 2, 2017</b>
First Horizon	100%	160.7%
First Horizon Peer Group	100%	142.4%
SNL U.S. Bank Index	100%	136.6%
S&P 500 Index	100%	127.1%

**Comparable Company Analyses.** Sandler O'Neill used publicly available information to compare selected financial information for Capital Bank Financial with two groups of financial institutions selected by Sandler O'Neill. One group consisted of 12 banks publicly traded on the NYSE or NASDAQ and headquartered in the Southeast U.S. with assets between \$8.0 billion and \$15.0 billion (the "Capital Bank Financial Regional Peer Group"). The Capital Bank Financial Regional Peer Group excluded targets of announced merger transactions and United Bankshares, Inc. due to the increase in its asset size following the closing of acquisition of Cardinal Financial Corporation. The other group of financial institutions selected by Sandler O'Neill consisted of 18 publicly traded banks headquartered in the continental U.S. with assets between \$5.0 billion and \$15.0 billion and tangible common equity/tangible assets ratios greater than 10.0% (the "Capital Bank Financial Capitalization Peer Group"). The Capital Bank Financial Capitalization Peer Group excluded targets of announced merger transactions.

The Capital Bank Financial Regional Peer Group consisted of the following companies:

BancorpSouth, Inc.	WesBanco, Inc.
Trustmark Corporation	FCB Financial Holdings, Inc.
Pinnacle Financial Partners, Inc.	Renasant Corporation
South State Corporation	Union Bankshares Corporation
United Community Banks, Inc.	Simmons First National Corporation
Home BancShares, Inc.	TowneBank

The analysis compared publicly available financial information for Capital Bank Financial with corresponding data for the Capital Bank Financial Regional Peer Group as of or for the twelve months ended March 31, 2017 (unless otherwise noted), with pricing data as of May 2, 2017. The table below sets forth the data for Capital Bank Financial and the high, low, mean, and median data for the Capital Bank Financial Regional Peer Group.

**Capital Bank Financial Comparable Company Analysis: Regional Peer Group**

	<b>Capital Bank Financial</b>	<b>Regional Peer Group High</b>	<b>Regional Peer Group Low</b>	<b>Regional Peer Group Mean</b>	<b>Regional Peer Group Median</b>
Total assets (in millions)	10,098	14,866	8,175	10,521	10,259
Loans/Deposits <sup>(1)</sup>	92.8%	105.6%	79.6%	90.4%	89.9%
Non-performing assets <sup>(2)</sup> /Total assets <sup>(3)</sup>	1.22%	1.48%	0.39%	0.72%	0.67%
Tangible common equity/Tangible assets	10.60%	10.37%	8.34%	9.31%	9.26%
Leverage ratio <sup>(4)</sup>	11.63%	10.94%	8.60%	10.12%	10.15%
Total risk-based capital ratio <sup>(5)</sup>	13.96%	15.11%	12.30%	13.46%	13.30%
CRE/Total risk based capital <sup>(6)</sup>	149.8%	331.7%	168.5%	231.2%	216.8%
LTM Return on average assets	0.81%	1.87%	0.86%	1.14%	1.02%
LTM Return on average equity	6.07%	14.06%	7.06%	8.99%	8.24%
LTM Net interest margin	3.65%	4.77%	3.36%	3.76%	3.53%
LTM Efficiency ratio	57.0%	67.7%	36.4%	57.2%	59.2%
Price/Tangible book value	208%	366%	195%	240%	223%
Price/LTM Earnings per share	28.8x	27.1x	17.5x	20.1x	19.4x
Price/2017 Est. Earnings per share <sup>(7)</sup>	21.8x	21.8x	16.1x	18.2x	18.4x
Price/2018 Est. Earnings per share <sup>(7)</sup>	18.8x	17.4x	12.9x	15.4x	15.2x
Current Dividend Yield	1.2%	2.8%	0.0%	1.6%	1.6%
Market value (in millions)	2,167	3,656	1,489	2,266	1,990

<sup>(1)</sup> Financial data as of December 31, 2016 for South State Corporation and Home BancShares, Inc.

<sup>(2)</sup> Nonperforming assets defined as nonaccrual and renegotiated loans and leases, and real estate owned

<sup>(3)</sup> Financial data as of December 31, 2016 for Trustmark Corporation, South State Corporation, Home BancShares, Inc., FCB Financial Holdings, Inc., Renasant Corporation, and Simmons First National Corporation

<sup>(4)</sup> Financial data as of December 31, 2016 for Home BancShares, Inc.

<sup>(5)</sup> Financial data as of December 31, 2016 for Home BancShares, Inc.

<sup>(6)</sup> CRE defined as total non-owner-occupied CRE loans (including construction, land and development loans), as defined in the 2006 Federal Reserve guidance; most recent regulatory data available used

<sup>(7)</sup> Multiples based on publicly available mean analyst earnings per share estimates

The Capital Bank Financial Capitalization Peer Group consisted of the following companies:

Washington Federal, Inc.	FCB Financial Holdings, Inc.
Cathay General Bancorp	Capitol Federal Financial, Inc.
Hope Bancorp, Inc.	CVB Financial Corp.
Central Bancompany, Inc.	TowneBank
Hilltop Holdings Inc.	Eagle Bancorp, Inc.
International Bancshares Corporation	First Financial Bankshares, Inc.
Pinnacle Financial Partners, Inc.	Farmers & Merchants Bank of Long Beach
Banner Corporation	Beneficial Bancorp, Inc.
Glacier Bancorp, Inc.	1 <sup>st</sup> Source Corporation

The analysis compared publicly available financial information for Capital Bank Financial with corresponding data for the Capital Bank Financial Capitalization Peer Group as of or for the twelve months ended March 31, 2017 (unless otherwise noted), with pricing data as of May 2, 2017. The table below sets forth the data for Capital Bank Financial and the high, low, mean, and median data for the Capital Bank Financial Capitalization Peer Group.

**Capital Bank Financial Comparable Company Analysis: Capitalization Peer Group<sup>1</sup>**

	<b>Capital Bank Financial</b>	<b>Capital. Peer Group High</b>	<b>Capital. Peer Group Low</b>	<b>Capital. Peer Group Mean</b>	<b>Capital. Peer Group Median</b>
Total assets (in millions)	10,098	14,961	5,502	9,920	9,544
Loans/Deposits <sup>(2)</sup>	92.8%	136.7%	61.3%	89.1%	91.6%
Non-performing assets <sup>(3)</sup> /Total assets <sup>(4)</sup>	1.22% <sup>(9)</sup>	2.14%	0.11%	0.65%	0.50%
Tangible common equity/Tangible assets	10.60%	15.07%	10.01%	11.63%	10.94%
Leverage ratio <sup>(5)</sup>	11.63%	16.18%	10.30%	12.13%	11.78%
Total risk-based capital ratio <sup>(6)</sup>	13.96%	31.40%	12.62%	17.57%	16.63%
CRE/Total risk based capital <sup>(7)</sup>	149.8%	349.0%	15.5%	197.9%	199.3%
LTM Return on average assets	0.81%	1.58%	0.51%	1.16%	1.15%
LTM Return on average equity	6.07%	12.38%	2.82%	8.84%	8.61%
LTM Net interest margin	3.65%	4.22%	4.00%	3.47%	3.45%
LTM Efficiency ratio	57.0%	82.7%	39.7%	55.1%	53.7%
Price/Tangible book value	208%	370%	104%	205%	193%
Price/LTM Earnings per share <sup>(8)</sup>	28.8x	27.1x	13.1x	19.7x	20.2x
Price/2017 Estimated Earnings per share <sup>(8)</sup>	21.8x	23.8x	14.4x	18.9x	18.9x
Price/2018 Estimated Earnings per share <sup>(8)</sup>	18.8x	21.9x	12.7x	16.7x	16.3x
Current Dividend Yield	1.2%	2.6%	0.0%	1.5%	1.7%
Market value (in millions)	2,167	3,174	969	2,208	2,204

<sup>(1)</sup> All financial data as of December 31, 2016 for Central Bancompany, Inc. and International Bancshares Corporation

<sup>(2)</sup> Financial data as of December 31, 2016 for First Financial Bankshares, Inc.

<sup>(3)</sup> Nonperforming assets defined as nonaccrual and renegotiated loans and leases, and real estate owned

<sup>(4)</sup> Financial data as of December 31, 2016 for Washington Federal, Inc., FCB Financial Holdings, Inc., Eagle Bancorp, Inc., Farmers & Merchants Bank of Long Beach and Beneficial Bancorp, Inc.; Financial data as of September 30, 2016 for Hope Bancorp, Inc.

<sup>(5)</sup> Financial data as of December 31, 2016 for Washington Federal, Inc., Glacier Bancorp, Inc., Capitol Federal Financial, Inc. and CVB Financial Corp.

<sup>(6)</sup> Financial data as of December 31, 2016 for Washington Federal, Inc., Glacier Bancorp, Inc., Capitol Federal Financial, Inc. and CVB Financial Corp.

<sup>(7)</sup> CRE defined as total non-owner-occupied CRE loans (including construction, land and development loans), as defined in the 2006 Federal Reserve guidance; most recent regulatory data available used

<sup>(8)</sup> Multiples based on publicly available mean analyst earnings per share estimates to the extent publicly available and excluded the multiples of Beneficial Bancorp, Inc. as not meaningful

Sandler O'Neill used publicly available information to perform a similar analysis for First Horizon by comparing selected financial information for First Horizon with a group of financial institutions selected by Sandler O'Neill. The group consisted of 12 U.S. commercial banks publicly traded on NYSE or NASDAQ exchanges and headquartered in the continental U.S. with assets between \$25.0 billion and \$40.0 billion (the "First Horizon Peer Group"). The First Horizon Peer

Group excluded targets of announced merger transactions. The First Horizon Peer Group consisted of the following companies:

East West Bancorp, Inc.	Associated Banc-Corp
First Citizens Bancshares, Inc.	BankUnited, Inc.
BOK Financial Corporation	Webster Financial Corporation
Synovus Financial Corp.	Wintrust Financial Corporation
Cullen/Frost Bankers, Inc.	Hancock Holding Company
F.N.B. Corporation	Commerce Bancshares, Inc.

The analysis compared publicly available financial information for First Horizon with corresponding data for the First Horizon peer group as of or for the twelve months ended March 31, 2017 (unless otherwise noted), with pricing data as of May 2, 2017. The table below sets forth the data for First Horizon and the high, low, mean, and median data for the First Horizon peer group.

### **First Horizon Comparable Company Analysis**

	<b>First Horizon</b>	<b>Peer Group High</b>	<b>Peer Group Low</b>	<b>Peer Group Mean</b>	<b>Peer Group Median</b>
Total Assets (\$ millions)	29,619	35,342	25,308	29,422	29,650
Loans/Deposits	81.3%	97.7%	46.6%	83.1%	89.0%
Non-performing assets <sup>(1)</sup> /Total Assets <sup>(2)</sup>	1.46%	1.57%	0.25%	0.79%	0.68%
Tangible common equity/Tangible assets <sup>(3)</sup>	7.27%	9.04%	6.80%	8.15%	8.25%
Leverage ratio <sup>(4)</sup>	9.31%	9.62%	8.05%	8.89%	8.95%
Total risk-based capital ratio <sup>(5)</sup>	12.33%	15.62%	12.00%	12.96%	12.77%
CRE/Total risk-based capital <sup>(6)</sup>	65.9%	315.3%	92.2%	178.2%	160.1%
LTM Return on average assets	0.87%	1.46%	0.73%	0.93%	0.86%
LTM Return on average equity	9.03%	14.60%	6.28%	9.08%	8.55%
LTM Net interest margin	2.95%	3.70%	2.66%	3.21%	3.27%
LTM Efficiency ratio	68.3%	72.9%	50.4%	61.5%	61.6%
Price/Tangible book value <sup>(7)</sup>	203%	260%	149%	211%	200%
Price/LTM Earnings per share	19.1x	22.2x	16.2x	19.1x	19.0x
Price/2017 Estimated Earnings per share <sup>(8)</sup>	16.7x	20.7x	14.5x	17.1x	17.4x
Price/2018 Estimated Earnings per share <sup>(8)</sup>	14.2x	18.2x	12.5x	15.4x	15.5x
Current Dividend Yield	1.9%	3.4%	0.3%	1.8%	2.0%
Market value (in millions)	4,341	7,919	3,769	4,931	4,643

<sup>(1)</sup> Nonperforming assets defined as nonaccrual and renegotiated loans and leases, and real estate owned

<sup>(2)</sup> Financial data as of December 31, 2016 for East West Bancorp. Inc., First Citizens BancShares, Inc., F.N.B. Corporation, BankUnited, Inc., Webster Financial Corporation, Hancock Holding Company, Commerce Bancshares, Inc. and First Horizon National Corp.

<sup>(3)</sup> Financial data as of December 31, 2016 for First Citizens BancShares, Inc.

<sup>(4)</sup> Financial data as of December 31, 2016 for Webster Financial Corporation

<sup>(5)</sup> Financial data as of December 31, 2016 for Commerce Bancshares, Inc.

<sup>(6)</sup> CRE defined as total non-owner-occupied CRE loans (including construction, land and development loans), as defined in the 2006 Federal Reserve guidance; most recent regulatory data available used

<sup>(7)</sup> Financial data as of December 31, 2016 for First Citizens BancShares, Inc.

<sup>(8)</sup> Multiples based on publicly available mean analyst earnings per share estimates to the extent publicly available

**Analysis of Selected Merger Transactions.** Sandler O'Neill reviewed a group of selected merger and acquisition transactions. The group consisted of 10 U.S. commercial bank and thrift transactions announced between January 1, 2014 and May 2, 2017 where targets had total assets between \$5.0 billion and \$25.0 billion at announcement (the "Precedent Transactions"). The Precedent Transactions excluded Toronto-Dominion Bank's acquisition of Scottrade Bank due to Scottrade Bank's non-traditional business model.

The Precedent Transactions were composed of the following transactions:

Acquiror	Target
Sterling Bancorp	Astoria Financial Corp.
IBERIABANK Corp.	Sabadell United Bank N.A.
Pinnacle Financial Partners	BNC Bancorp
F.N.B. Corp.	Yadkin Financial Corporation
Canadian Imperial Bank of Commerce	PrivateBancorp Inc.
Chemical Financial Corp.	Talmer Bancorp Inc.
BB&T Corp.	National Penn Bancshares Inc.
BB&T Corp.	Susquehanna Bancshares Inc.
CIT Group Inc.	IMB HoldCo LLC
First Citizens BancShares Inc.	First Citizens Bancorp.

Using the latest publicly available information prior to the announcement of the relevant transaction, Sandler O'Neill reviewed the following transaction metrics: transaction price to last-twelve-months earnings per share, transaction price to estimated forward earnings per share (to the extent publicly available), transaction price to tangible book value per share, tangible book premium to core deposits and, in the case of transactions involving publicly-traded targets, 1-day market premium (discount). Sandler O'Neill compared the indicated transaction metrics for the merger, based on the implied transaction price per share of \$40.38, or an aggregate implied transaction value of approximately \$2.16 billion, to the high, low, mean and median metrics of the Precedent Transactions.

	Capital Bank / First Horizon	Precedent Transactions High	Precedent Transactions Low	Precedent Transactions Mean	Precedent Transactions Median
Deal Value (\$mm)	2,159.4	4,957.7	644.7	2,094.5	1,787.9
Transaction price/LTM Earnings per share <sup>(1)</sup>	27.8x	23.8x	13.7x	19.3x	20.7x
Transaction price/Estimated Earnings per share <sup>(1)</sup>	21.1x	21.1x	13.1x	17.9x	17.9x
Transaction price/Tangible book value per share	201%	270%	102%	189%	184%
Core deposit premium	15.6%	22.7%	0.8%	12.4%	12.0%
1-Day market premium	(3.2)%	40.4%	(0.2)%	13.8%	9.7%

<sup>(1)</sup> Excluded the multiples of Sterling Bancorp's acquisition of Astoria Financial Corp. as not meaningful

**Net Present Value Analyses.** Sandler O'Neill performed an analysis that estimated the net present value per share of Capital Bank Financial common stock, assuming Capital Bank Financial performed in accordance with publicly available mean analyst earnings estimates for Capital Bank Financial for the years ending December 31, 2017 and December 31, 2018 and estimated long-term annual earnings per share growth rate and dividend assumptions for Capital Bank Financial, as provided by the senior management of Capital Bank Financial. To approximate the terminal value of Capital Bank Financial common stock at December 31, 2021, Sandler O'Neill applied price to 2021 earnings multiples ranging from 18.0x to 22.0x and multiples of December 31, 2021 tangible book value ranging from 180% to 220%. The terminal values were then discounted to present values using different discount rates ranging from 8.0% to 13.0%, which were chosen to reflect different

assumptions regarding required rates of return of holders or prospective buyers of Capital Bank Financial common stock. As illustrated in the following tables, the analysis indicated an imputed range of values per share of Capital Bank Financial common stock of \$31.83 to \$47.46 when applying multiples of earnings and \$31.99 to \$47.67 when applying multiples of tangible book value.

#### **Based on Earnings Multiples**

<b>Discount Rate</b>	<b>18.0x</b>	<b>19.0x</b>	<b>20.0x</b>	<b>21.0x</b>	<b>22.0x</b>
8.0%	\$ 39.26	\$ 41.31	\$ 43.36	\$ 45.41	\$ 47.46
9.0%	37.61	39.58	41.54	43.50	45.46
10.0%	36.05	37.93	39.81	41.69	43.57
11.0%	34.57	36.37	38.17	39.98	41.78
12.0%	33.17	34.89	36.62	38.34	40.07
13.0%	31.83	33.49	35.14	36.79	38.45

#### **Based on Tangible Book Value Multiples**

<b>Discount Rate</b>	<b>180%</b>	<b>190%</b>	<b>200%</b>	<b>210%</b>	<b>220%</b>
8.0%	\$ 39.44	\$ 41.50	\$ 43.55	\$ 45.61	\$ 47.67
9.0%	37.79	39.76	41.73	43.70	45.66
10.0%	36.22	38.11	39.99	41.88	43.76
11.0%	34.74	36.54	38.35	40.16	41.96
12.0%	33.33	35.06	36.79	38.52	40.25
13.0%	31.99	33.64	35.30	36.96	38.62

Sandler O'Neill also considered and discussed with the Capital Bank Financial board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler O'Neill performed a similar analysis, assuming Capital Bank Financial's net income varied from 15% above estimates to 15% below estimates. This analysis resulted in the following range of per share values for Capital Bank Financial common stock, applying the price to 2021 earnings multiples range of 18.0x to 22.0x referred to above and a discount rate of 10.0%.

#### **Based on Earnings Multiples**

<b>Annual Estimate Variance</b>	<b>18.0x</b>	<b>19.0x</b>	<b>20.0x</b>	<b>21.0x</b>	<b>22.0x</b>
(15.0%)	\$ 30.98	\$ 32.58	\$ 34.18	\$ 35.78	\$ 37.37
(10.0%)	32.68	34.37	36.06	37.75	39.44
(5.0%)	34.37	36.15	37.94	39.72	41.51
0.0%	36.06	37.94	39.82	41.70	43.58
5.0%	37.75	39.72	41.70	43.67	45.64
10.0%	39.44	41.51	43.58	45.64	47.71
15.0%	41.13	43.30	45.46	47.62	49.78

Sandler O'Neill also performed an analysis that estimated the net present value per share of First Horizon common stock, assuming that First Horizon performed in accordance with publicly available mean analyst earnings per share estimates for First Horizon for the years ending December 31, 2017 and December 31, 2018, as provided by the senior management of First Horizon, and a publicly available mean analyst estimated long-term annual earnings per share growth rate for First Horizon, as directed by the senior management of Capital Bank Financial. To approximate the terminal value of First Horizon common stock at December 31, 2021, Sandler O'Neill applied price to 2021 earnings multiples ranging from 17.0x to 21.0x and multiples of December 31, 2021 tangible book value ranging from 190% to 230%. The terminal values were then discounted to present values using different discount rates ranging from 8.0% to 13.0%, which were chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of First Horizon common stock. As illustrated in the following tables, the analysis indicated an imputed range of



values per share of First Horizon common stock of \$16.41 to \$24.64 when applying earnings multiples and \$16.10 to \$23.71 when applying multiples of tangible book value.

**Based on Earnings Multiples**

<b>Discount Rate</b>	<b>17.0x</b>	<b>18.0x</b>	<b>19.0x</b>	<b>20.0x</b>	<b>21.0x</b>
8.0%	\$ 20.21	\$ 21.31	\$ 22.42	\$ 23.53	\$ 24.64
9.0%	19.37	20.43	21.49	22.55	23.61
10.0%	18.57	19.58	20.60	21.62	22.63
11.0%	17.81	18.78	19.76	20.73	21.70
12.0%	17.09	18.02	18.96	19.89	20.82
13.0%	16.41	17.30	18.19	19.09	19.98

**Based on Tangible Book Value Multiples**

<b>Discount Rate</b>	<b>190%</b>	<b>200%</b>	<b>210%</b>	<b>220%</b>	<b>230%</b>
8.0%	\$ 19.83	\$ 20.80	\$ 21.77	\$ 22.74	\$ 23.71
9.0%	19.00	19.93	20.86	21.79	22.72
10.0%	18.22	19.11	20.00	20.89	21.78
11.0%	17.48	18.33	19.18	20.03	20.89
12.0%	16.77	17.59	18.40	19.22	20.04
13.0%	16.10	16.88	17.67	18.45	19.23

Sandler O'Neill also considered and discussed with the Capital Bank Financial board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler O'Neill performed a similar analysis assuming First Horizon's net income varied from 15% above estimates to 15% below estimates. This analysis resulted in the following range of per share values for First Horizon common stock, applying the price to 2021 earnings multiples range of 17.0x to 21.0x referred to above and a discount rate of 10.0%.

**Based on Earnings Multiples**

<b>Annual Estimate Variance</b>	<b>17.0x</b>	<b>18.0x</b>	<b>19.0x</b>	<b>20.0x</b>	<b>21.0x</b>
(15.0%)	\$ 15.98	\$ 16.84	\$ 17.71	\$ 18.57	\$ 19.43
(10.0%)	16.84	17.76	18.67	19.59	20.50
(5.0%)	17.71	18.67	19.64	20.60	21.57
0.0%	18.57	19.59	20.60	21.62	22.63
5.0%	19.43	20.50	21.57	22.63	23.70
10.0%	20.30	21.42	22.53	23.65	24.77
15.0%	21.16	22.33	23.50	24.67	25.84

Sandler O'Neill noted that the net present value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

**Pro Forma Merger Analysis.** Sandler O'Neill analyzed certain potential pro forma effects of the merger, assuming the merger closes at the end of the fourth calendar quarter of 2017. In performing this analysis, Sandler O'Neill utilized the following information and assumptions: (i) publicly available mean analyst earnings per share estimates for Capital Bank Financial for the years ending December 31, 2017 and December 31, 2018, and estimated long-term annual earnings per share growth rate and dividend assumptions for Capital Bank Financial, as provided by the senior management of Capital Bank Financial; (ii) publicly available mean analyst earnings per share estimates for First Horizon for the years ending December 31, 2017 and December 31, 2018, as provided by the senior management of First Horizon, and a publicly available mean analyst estimated long-term annual earnings per share growth rate for First Horizon, as directed by the senior management of Capital Bank Financial; and (iii) certain assumptions relating to purchase

accounting adjustments, cost savings and transaction expenses, as provided by the senior management of First Horizon. The analysis indicated that the merger could be accretive to First Horizon's estimated earnings per share (excluding one-time transaction costs and expenses) in the years ending December 31, 2018, December 31, 2019 and December 31, 2020 and dilutive to estimated tangible book value per share at closing and at December 31, 2018, December 31, 2019 and December 31, 2020.

In connection with this analysis, Sandler O'Neill considered and discussed with the Capital Bank Financial board of directors how the analysis would be affected by changes in the underlying assumptions, including the impact of final purchase accounting adjustments determined at the closing of the merger, and noted that the actual results achieved by the combined company may vary from projected results and the variations may be material.

*Sandler O'Neill's Relationship.* Sandler O'Neill has acted as financial advisor to Capital Bank Financial in connection with the merger and will receive a fee for such services in an amount equal to 0.350% of the aggregate purchase price, which fee is currently estimated to be approximately \$7.0 million and is contingent upon the closing of the merger. Sandler O'Neill also received a separate \$1,000,000 fee for rendering its fairness opinion. Capital Bank Financial has also agreed to reimburse Sandler O'Neill for its reasonable out-of-pocket expenses incurred in connection with its engagement, including the reasonable fees and disbursements of its legal counsel. Capital Bank Financial has also agreed to indemnify Sandler O'Neill against certain liabilities arising out of Sandler O'Neill's engagement.

Sandler O'Neill has not provided any other investment banking services to Capital Bank Financial or provided any investment banking services to First Horizon in the two years preceding the date of its opinion. In the ordinary course of its business as a broker-dealer, Sandler O'Neill may purchase securities from and sell securities to the Capital Bank Financial, First Horizon and their respective affiliates. Sandler O'Neill may also actively trade the equity and debt securities of the Capital Bank Financial, First Horizon and their respective affiliates for its own account and for the accounts of its customers.

## Opinions of First Horizon's Financial Advisors

### *Barclays Capital Inc.*

First Horizon engaged Barclays to act as a financial advisor with respect to a possible purchase of Capital Bank Financial, pursuant to an engagement letter dated April 21, 2017. On May 3, 2017, Barclays rendered its oral opinion (which was subsequently confirmed in writing) to First Horizon's board of directors that, as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the merger consideration to be paid by First Horizon in the proposed merger was fair to First Horizon, from a financial point of view.

**The full text of Barclays' written opinion, dated as of May 3, 2017, is attached as Annex C to this joint proxy statement/prospectus. Barclays' written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Barclays in rendering its opinion. You are encouraged to read the opinion carefully in its entirety. The following is a summary of Barclays' opinion and the methodology that Barclays used to render its opinion. This summary is qualified in its entirety by reference to the full text of the opinion.**

Barclays' opinion, the issuance of which was approved by Barclays' Fairness Opinion Committee, is addressed to the board of directors of First Horizon, addresses only the fairness, from a financial point of view, of the merger consideration to be paid by First Horizon in the proposed merger and does not constitute a recommendation to any shareholder of First Horizon as to how such shareholder should vote with respect to the proposed merger or any other matter. The terms of the proposed merger were determined through arm's-length negotiations between First Horizon and Capital Bank Financial and were unanimously approved by the boards of directors of First Horizon and of Capital Bank Financial. Barclays did not recommend any specific form of consideration to First Horizon or that any specific form of consideration constituted the only appropriate

consideration for the proposed merger. Barclays was not requested to address, and its opinion does not in any manner address, First Horizon's underlying business decision to proceed with or effect the proposed merger, the likelihood of the consummation of the proposed merger, or the relative merits of the proposed merger as compared to any other transaction or business strategy in which First Horizon may engage. In addition, Barclays expressed no opinion on, and its opinion does not in any manner address, the fairness of the proposed merger to, or any consideration received in connection with the proposed merger by, the holders of any class of securities or the amount or the nature of any compensation to any officers, directors or employees of any parties to the proposed merger, or any other class of persons, relative to the consideration to be paid in the proposed merger or otherwise. No limitations were imposed by First Horizon's board of directors upon Barclays with respect to the investigations made or procedures followed by it in rendering its opinion.

In arriving at its opinion, Barclays, among other things:

- reviewed and analyzed a draft of the merger agreement, dated as of May 3, 2017, and the specific terms of the proposed merger;
- reviewed and analyzed publicly available information concerning First Horizon and Capital Bank Financial that Barclays believed to be relevant to its analysis, including First Horizon's and Capital Bank Financial's respective Annual Reports on Form 10-K for the fiscal year ended December 31, 2016 and Capital Bank Financial's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2017;
- reviewed and analyzed published estimates by independent equity research analysts with respect to the future financial performance of First Horizon and adjusted by management of First Horizon (as so adjusted, the "First Horizon Estimates");
- reviewed and analyzed financial and operating information with respect to the business, operations and prospects of Capital Bank Financial furnished to Barclays by First Horizon, including financial projections for Capital Bank Financial prepared by management of First Horizon and published estimates by independent equity research analysts with respect to the future financial performance of Capital Bank Financial and adjusted by management of First Horizon, which as so adjusted, we refer to in this joint proxy statement/prospectus as the "First Horizon Capital Bank Financial Projections";
- reviewed and analyzed certain financial and operational information with respect to the business, operations and prospects of First Horizon on a pro forma basis giving effect to the proposed merger prepared by management of First Horizon based on the First Horizon Estimates and the First Horizon Capital Bank Financial Projections, which we refer to in this joint proxy statement/prospectus as the "Pro Forma Estimates";
- reviewed and analyzed a trading history of First Horizon's common stock from May 3, 2016 to May 2, 2017 and a trading history of Capital Bank Financial's common stock from May 3, 2016 to May 2, 2017;
- reviewed and analyzed a comparison of the historical financial results and present financial condition of First Horizon and Capital Bank Financial with those of other companies that Barclays deemed relevant;
- reviewed and analyzed a comparison of the financial terms of the proposed merger with the financial terms of certain other recent transactions that Barclays deemed relevant;
- reviewed and analyzed the pro forma impact of the proposed merger on the future financial performance of the combined company, including cost savings and other financial implications expected by management of First Horizon to result from the combination of the businesses, which we refer to in this joint proxy statement/prospectus as the "Expected Synergies";
- had discussions with the management of First Horizon and Capital Bank Financial concerning the business, operations, assets, liabilities, financial condition and prospects of First Horizon and Capital Bank Financial; and
- undertook such other studies, analyses and investigations as Barclays deemed appropriate.

In arriving at its opinion, Barclays assumed and relied upon the accuracy and completeness of the financial and other information used by Barclays without any independent verification of such information (and did not assume responsibility or liability for any independent verification of such information). Barclays also relied upon the assurances of management of First Horizon that they were not aware of any facts or circumstances that would make such information inaccurate or misleading. Upon the advice of First Horizon, Barclays assumed that the First Horizon Estimates were a reasonable basis upon which to evaluate the future financial performance of First Horizon and that First Horizon would perform substantially in accordance with such estimates, and upon the advice and at the instruction of First Horizon, Barclays relied on such estimates in performing its analysis and arriving at its opinion.

Upon the advice of First Horizon, Barclays assumed that the First Horizon Capital Bank Financial Projections were a reasonable basis upon which to evaluate the future financial performance of Capital Bank Financial, and upon the advice and at the instruction of First Horizon, Barclays relied on such estimates in performing its analysis and arriving at its opinion. Furthermore, upon the advice of First Horizon, Barclays assumed that the amount and timing of the Expected Synergies were reasonable and that the Expected Synergies would be realized in accordance with such estimates. With respect to the Pro Forma Estimates, upon the advice and at the instruction of First Horizon, Barclays assumed that the Pro Forma Estimates were a reasonable basis upon which to evaluate the future financial performance of First Horizon on a pro forma basis giving effect to the proposed merger, that the pro forma adjustments to the First Horizon Estimates were appropriate and that the pro forma First Horizon would perform in accordance with such Pro Forma Estimates. Barclays assumed no responsibility for and it expressed no view as to any such projections, estimates, cost savings or financial implications or the assumptions on which they are based. In addition, Barclays is not an expert in the evaluation of loan portfolios or assessing the adequacy of the allowances for loan losses with respect thereto. Barclays made no analyses of, and expressed no opinion as to, such loan portfolios, First Horizon's review of such portfolios or Capital Bank Financial's allowance for loan losses and, upon advice of First Horizon, Barclays assumed that the respective current allowances for loan losses and capital of First Horizon and Capital Bank Financial will be, in each case and in the aggregate, including on a pro forma basis, adequate to cover all such losses. In arriving at its opinion, Barclays did not conduct a physical inspection of the properties and facilities of First Horizon or Capital Bank Financial and did not make or obtain any evaluations or appraisals of the assets or liabilities of First Horizon or Capital Bank Financial, including with respect to their loan portfolios. Barclays' opinion necessarily is based upon market, economic and other conditions as they existed on and could be evaluated as of May 3, 2017, the date of the opinion. Barclays assumes no responsibility for updating or revising its opinion based on events or circumstances that might occur after the date of its opinion. Barclays expresses no opinion as to the prices at which shares of First Horizon or Capital Bank Financial common stock would trade following the announcement of the proposed merger or shares of First Horizon would trade following the consummation of the proposed merger.

Barclays assumed that the executed merger agreement would conform in all material respects to the last draft reviewed by Barclays. In addition, Barclays assumed the accuracy of the representations and warranties contained in the merger agreement and all the agreements related thereto. Barclays also assumed, upon the advice of First Horizon, that all material governmental, regulatory and third party approvals, consents and releases for the proposed merger would be obtained within the constraints contemplated by the merger agreement and that the proposed merger would be consummated in accordance with the terms of the merger agreement without waiver, modification or amendment of any material term, condition or agreement thereof. Barclays did not express any opinion as to any tax or other consequences that might result from the proposed merger, nor did Barclays' opinion address any legal, tax, regulatory or accounting matters, as to which Barclays understood First Horizon had obtained such advice as it deemed necessary from qualified professionals.

In connection with rendering its opinion, Barclays performed certain financial, comparative and other analyses as summarized below. In arriving at its opinion, Barclays did not ascribe a specific range of values to the shares of First Horizon common stock or shares of Capital Bank Financial

common stock but rather made its determination as to fairness, from a financial point of view, of the merger consideration to be paid by First Horizon in the proposed merger on the basis of various financial and comparative analyses. The preparation of a fairness opinion is a complex process and involves various determinations as to the most appropriate and relevant methods of financial and comparative analyses and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to summary description.

In arriving at its opinion, Barclays did not attribute any particular weight to any single analysis or factor considered by it but rather made qualitative judgments as to the significance and relevance of each analysis and factor relative to all other analyses and factors performed and considered by it and in the context of the circumstances of the particular transaction. Accordingly, Barclays believes that its analyses must be considered as a whole, as considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying its opinion.

The following is a summary of the material financial analyses used by Barclays in preparing its opinion to First Horizons's board of directors. Certain financial analyses summarized below include information presented in tabular format. To fully understand the financial analyses used by Barclays, the tables must be read together with the text of each summary, as the tables alone do not constitute a complete description of the financial analyses. In performing its analyses, Barclays made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of First Horizon or Capital Bank Financial. None of First Horizon, Capital Bank Financial, Barclays or any other person assumes responsibility if future results are materially different from those discussed. Any estimates contained in these analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth below. In addition, analyses relating to the value of the businesses do not purport to be appraisals or reflect the prices at which the businesses may actually be sold.

### ***Selected Comparable Company Analysis***

To assess how the public market values shares of similar publicly traded companies and to provide a range of relative implied equity values per share of Capital Bank Financial stock and per share of First Horizon common stock by reference to those companies, Barclays reviewed and compared specific financial and operating data relating to Capital Bank Financial and First Horizon with selected companies that Barclays, based on its experience in the financial institutions and banking industry, deemed comparable to Capital Bank Financial and First Horizon. The selected comparable companies with respect to Capital Bank Financial, which included selected publicly traded Southeast banks with total assets between \$5.0 billion – \$15.0 billion, were:

- BancorpSouth Inc.
- United Bankshares Inc.
- Trustmark Corp.
- Pinnacle Financial Partners Inc.
- South State Corp.
- United Community Banks Inc.
- Home BancShares Inc.
- WesBanco Inc.
- FCB Financial Holdings Inc.
- Renasant Corp.
- Union Bankshares Corp.
- Simmons First National Corp.
- TowneBank

- Ameris Bancorp
- ServisFirst Bancshares Inc.
- CenterState Banks Inc.

Barclays calculated and compared various financial multiples and ratios of Capital Bank Financial and its selected comparable companies. As part of its selected comparable company analysis, Barclays calculated and analyzed ratios of current stock price per share to calendar year 2017 and 2018 estimated earnings per share, which we refer to in this joint proxy statement/prospectus as “EPS” and which is commonly referred to as the price to earnings ratio, or P/E multiples. Also, as part of its selected comparable company analysis, Barclays calculated and analyzed ratios of current stock prices per share to March 31, 2017 tangible book value, which we refer to in this joint proxy statement/prospectus as “TBV” and which is commonly referred to as the price to TBV ratio, or P/TBV multiple.

Finally, as part of its selected comparable company analysis, Barclays calculated and analyzed premiums of current stock prices per share in excess of March 31, 2017 TBV per share divided by March 31, 2017 core deposits per share, which we refer to in this joint proxy statement/prospectus as “Core Deposit Premium” or “CDP.”

All of the calculations for the selected comparable companies were performed with and based on publicly available financial data as of March 31, 2017 or as of the most recent quarter available and closing prices as of March 31, 2017. The results of this selected comparable company analysis for Capital Bank Financial are summarized below:

	<b>2017E P/E Multiple</b>	<b>2018E P/E Multiple</b>	<b>TBV multiple</b>	<b>Core Deposit Premium</b>
Top Quartile	19.0x	16.7x	2.75x	22.5%
Median	18.3x	15.6x	2.43x	19.2%
Bottom Quartile	17.8x	14.8x	2.10x	14.8%

#### Excludes Capital Bank Financial

The selected comparable companies with respect to First Horizon, which included selected publicly traded banks with total assets between \$10.0 billion and \$35.0 billion, were:

- First Citizens BancShares Inc.
- BOK Financial Corp.
- Synovus Financial Corp.
- Cullen/Frost Bankers Inc.
- F.N.B. Corp.
- Associated Banc-Corp
- Webster Financial Corp.
- Wintrust Financial Corp.
- Hancock Holding Co.
- Commerce Bancshares Inc.
- Umpqua Holdings Corp.
- Valley National Bancorp
- Prosperity Bancshares Inc.
- IBERIABANK Corp.
- TCF Financial Corp.
- Texas Capital Bancshares Inc.
- UMB Financial Corp.
- Fulton Financial Corp.
- Old National Bancorp



- BancorpSouth Inc.
- United Bankshares Inc.
- Trustmark Corp.
- Pinnacle Financial Partners Inc.
- United Community Banks Inc.

Barclays calculated and compared various financial multiples and ratios of First Horizon and its selected comparable companies. As part of its selected comparable company analysis, Barclays calculated and analyzed ratios of current stock prices per share to calendar year 2017 and 2018 estimated EPS. Also, as part of its selected comparable company analysis, Barclays calculated and analyzed ratios of current stock prices per share to March 31, 2017 TBV.

Finally, as part of its selected comparable company analysis, Barclays calculated and analyzed premiums of current stock prices per share in excess of March 31, 2017 TBV per share divided by March 31, 2017 core deposits per share.

All of the calculations for the selected comparable companies were performed with and based on publicly available financial data as of March 31, 2017 or as of the most recent quarter available and closing prices as of May 2, 2017. The results of this selected comparable company analysis for First Horizon are summarized below:

	<b>2017E P/E Multiple</b>	<b>2018E P/E Multiple</b>	<b>TBV multiple</b>	<b>Core Deposit Premium</b>
Top Quartile	18.8x	16.1x	2.40x	15.2%
Median	17.5x	15.5x	2.01x	11.7%
Bottom Quartile	16.6x	15.1x	1.89x	10.9%

#### Excludes First Horizon

Barclays selected the comparable companies listed above because of similarities in one or more business or operating characteristics with Capital Bank Financial or First Horizon, respectively. However, because of the inherent differences between the business, operations and prospects of Capital Bank Financial or First Horizon, respectively, and those of their respective selected comparable companies, Barclays believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the selected comparable company analysis. Accordingly, Barclays also made qualitative judgments concerning differences between the business, financial and operating characteristics and prospects of Capital Bank Financial, First Horizon and their respective selected comparable companies that could affect the public trading values of each company's publicly traded stock to provide a context in which to consider the results of the quantitative analysis. These qualitative judgments related primarily to the differing sizes, growth prospects, profitability levels and degree of operational risk between Capital Bank Financial, First Horizon and the companies included in the respective selected company analysis.

*Capital Bank Financial Valuation.* Based upon its professional judgments, Barclays selected a range of calendar year 2017 P/E multiples of 17.5x to 19.0x and calendar year 2018 P/E multiples of 15.0 to 17.0 for Capital Bank Financial, based on 2017 and 2018 Wall Street consensus mean estimates, as adjusted by management of First Horizon and estimates prepared by management of First Horizon. Barclays applied this range to Capital Bank Financial's projected calendar year 2017 and 2018 estimated EPS, as set out in the First Horizon Capital Bank Financial Projections, to calculate a range of implied values per share of Capital Bank Financial common stock. These calculations resulted in a range of implied values per share of Capital Bank Financial common stock of \$34.13 to \$37.05 based on 2017 P/E multiples and \$32.10 to \$36.38 based on 2018 P/E multiples. Barclays then applied fully-phased in cost savings of approximately \$64.7 million (pre-tax), which we refer to in this joint proxy statement/prospectus as the "Cost Savings," to such range to calculate a range of implied values per share of Capital Bank Financial common stock of \$47.95 to \$52.06 based on 2017 P/E multiples, and \$43.95 to \$49.81 based on 2018 P/E multiples.

Based upon its professional judgments, Barclays also selected a range of TBV multiples of 2.0x to 2.40x for Capital Bank Financial, based on March 31, 2017 tangible book value. Barclays applied



this range to Capital Bank Financial's March 31, 2017 TBV to calculate a range of implied values per share of Capital Bank Financial common stock. These calculations resulted in a range of implied values per share of Capital Bank Financial common stock of \$40.58 to \$48.70.

Based upon its professional judgments, Barclays also selected a range of CDPs 15.0% to 23.0% for Capital Bank Financial, based on March 31, 2017 core deposits per share. Barclays applied this range to Capital Bank Financial's March 31, 2017 core deposits per share to calculate a range of implied values per share of Capital Bank Financial common stock. These calculations resulted in a range of implied values per share of Capital Bank Financial common stock of \$40.93 to \$51.94.

*First Horizon Standalone Valuation.* Based upon its professional judgments, Barclays selected a range of calendar year 2017 P/E multiples of 16.5x to 19.0x and calendar year 2018 P/E multiples of 14.0x to 16.5x for First Horizon, based on 2017 and 2018 Wall Street consensus mean estimates, as adjusted by First Horizon management. Barclays applied this range to First Horizon's projected calendar year 2017 and 2018 estimated EPS, as set out in the First Horizon Estimates, to calculate a range of implied values per share of First Horizon common stock. These calculations resulted in a range of implied values per share of First Horizon common stock of \$18.48 to \$21.28 based on 2017 P/E multiples, and \$18.34 to \$21.62 based on 2018 P/E multiples.

Based upon its professional judgments, Barclays also selected a range of TBV multiples of 1.90x to 2.40x for shares of First Horizon common stock. Barclays applied this range to First Horizon's March 31, 2017 TBV to calculate a range of implied values per share of First Horizon common stock. These calculations resulted in a range of implied values per share of First Horizon common stock of \$17.37 to \$21.94.

Based upon its professional judgments, Barclays also selected a range of CDPs of 10.5% to 15.5% for shares of First Horizon common stock, based on March 31, 2017 core deposits per share. Barclays applied this range to First Horizon March 31, 2017 core deposits per share to calculate a range of implied values per share of First Horizon common stock. These calculations resulted in a range of implied values per share of First Horizon common stock of \$18.42 to \$22.83.

### ***Selected Precedent Transaction Analysis***

Barclays reviewed and compared the purchase prices and financial multiples paid in selected recent transactions that Barclays, based on its experience with merger and acquisition transactions, deemed relevant. Barclays chose such transactions based on, among other things, the similarity of the applicable target companies in the transactions to Capital Bank Financial with respect to the business strategy and other financial and operating characteristics of their businesses.

The reasons for and the circumstances surrounding each of the selected precedent transactions analyzed were diverse and there are inherent differences in the business, operations, financial conditions and prospects of Capital Bank Financial, First Horizon and the companies included in the selected precedent transaction analysis. Accordingly, Barclays believed that a purely quantitative selected precedent transaction analysis would not be particularly meaningful in the context of considering the proposed merger. Barclays therefore made qualitative judgments concerning differences between the characteristics of the selected recent precedent transactions and the proposed merger that would affect the acquisition values of the selected target companies and Capital Bank Financial.

Barclays examined the following transactions, including select U.S. bank deals since 2015 with target assets between \$2.0 billion – \$15.0 billion:

<u>Announcement Date</u>	<u>Acquiror</u>	<u>Target</u>
4/27/17	South State Corp.	Park Sterling Corp.
3/27/17	Home BancShares Inc.	Stonegate Bank
3/7/17	Sterling Bancorp	Astoria Financial Corp.
2/28/17	IBERIABANK Corp.	Sabadell United Bank N.A.
1/22/17	Pinnacle Financial Partners Inc.	BNC Bancorp
7/21/16	F.N.B. Corp.	Yadkin Financial Corp.
8/17/15	BB&T Corp.	National Penn Bancshares Inc.

Based upon its professional judgments, Barclays selected a range of next twelve month, which we refer to in this joint proxy statement/prospectus as “NTM,” EPS plus Cost Savings multiples of 11.0x to 14.5x for Capital Bank Financial. Barclays applied this range to Capital Bank Financial’s estimated NTM EPS, as set out in the First Horizon Capital Bank Financial Projections, plus Cost Savings to calculate a range of implied values of Capital Bank Financial. These calculations resulted in a range of implied values per share of Capital Bank Financial common stock of \$30.47 to \$40.17.

Based upon its professional judgments, Barclays selected a range of NTM EPS (without Cost Savings) multiples of 17.0x to 22.0x for Capital Bank Financial. Barclays applied this range to Capital Bank Financial’s estimated NTM EPS, as set out in the First Horizon Capital Bank Financial Projections, to calculate a range of implied values of Capital Bank Financial. These calculations resulted in a range of implied values per share of Capital Bank Financial common stock of \$33.66 to \$43.56.

Based upon its professional judgments, Barclays selected a range of TBV multiples of 1.95x to 2.40x for Capital Bank Financial. These calculations resulted in a range of implied values per share of Capital Bank Financial common stock of \$39.57 to \$48.70.

Based upon its professional judgments, Barclays selected a range of CDPs of 13.0% to 19.0% for Capital Bank Financial. Barclays applied this range to Capital Bank Financial’s March 31, 2017 core deposits per share to calculate a range of implied values of Capital Bank Financial. These calculations resulted in a range of implied values per share of Capital Bank Financial common stock of \$38.18 to \$46.44.

### ***Dividend Discount Analysis***

As a further analysis in estimating the present value of shares of Capital Bank Financial common stock and First Horizon common stock, Barclays performed a dividend discount analysis of shares of Capital Bank Financial common stock and First Horizon common stock. A dividend discount analysis is a valuation methodology used to derive a valuation of an entity by adding the estimated dividends expected to be paid to shareholders through a specified forecast period, in this case, December 31, 2022, to the residual value of the entity at the end of the forecast period. This sum is then discounted to its “present value” using a range of selected discount rates. “Present value” refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts to a specified date, in this case, March 31, 2017, by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors. In connection with this analysis, Barclays assumed an 8.5% Common Equity Tier 1 target level, which compares a bank’s core equity capital with its total risk-weighted assets. The 8.5% figure represents the mid-point of First Horizon management’s public guidance of 8.0-9.0%.

*Capital Bank Financial Standalone and Pro Forma Valuation.* To calculate the estimated value of Capital Bank Financial common stock using the dividend discount analysis method on a standalone basis, Barclays added (1) projected dividends on shares of Capital Bank Financial common stock through December 31, 2022 based on the First Horizon Capital Bank Financial Projections to (2) the residual value of Capital Bank Financial at the end of the forecast period, which we refer to in this joint proxy statement/prospectus as the “terminal value of Capital Bank

Financial,” as of December 31, 2022 and discounted such amounts to their present value using a range of selected discount rates. The terminal value of Capital Bank Financial was estimated by applying ranges of terminal value multiples of 12.0x to 18.0x, which was based on comparable companies’ long-term Price / EPS trading multiples. The ranges of “cost of equity” discount rates of 9.9% to 14.0% were selected based on a capital asset pricing model of companies included in Capital Bank Financial’s selected comparable company analysis. Barclays then calculated a range of implied prices per share of Capital Bank Financial common stock by dividing the value derived from the dividend discount method by the fully diluted number of shares of Capital Bank Financial common stock as provided by First Horizon management. These calculations resulted in a standalone valuation range of implied equity values per share of Capital Bank Financial common stock of \$29.62 to \$45.88.

Barclays also calculated the estimated value of Capital Bank Financial’s common stock using the dividend discount analysis method on a pro forma basis for Cost Savings and other financial implications of the proposed merger. To calculate the estimated value of Capital Bank Financial’s common stock using the dividend discount analysis method on a pro forma basis, Barclays added (1) projected dividends on shares of Capital Bank Financial common stock through December 31, 2022 based on the First Horizon Capital Bank Financial Projections as adjusted by First Horizon management for Cost Savings and other financial implications of the proposed merger to (2) the terminal value of Capital Bank Financial as of December 31, 2022, as adjusted by First Horizon management for Cost Savings and other financial implications of the proposed business combination, and discounted such amounts to their present value using a range of selected discount rates. Using the same terminal value multiples and discount rates described in the immediately preceding paragraph, Barclays then calculated a range of implied prices per share of Capital Bank Financial common stock by dividing the value derived from the dividend discount method by the fully diluted number of shares of Capital Bank Financial common stock as provided by First Horizon management. These calculations resulted in a *pro forma valuation* range of implied equity values per share of Capital Bank Financial common stock of \$34.96 to \$54.77 based on First Horizon Capital Bank Financial Projections as adjusted by First Horizon management for Cost Savings and other financial implications of the proposed merger.

*First Horizon Standalone Valuation.* To calculate the estimated value of First Horizon common stock using the dividend discount analysis method, Barclays added (1) projected dividends on shares of First Horizon common stock through December 31, 2022 based on the First Horizon Estimates to (2) the residual value of First Horizon at the end of the forecast period, which we refer to in this joint proxy statement/prospectus as the “terminal value of First Horizon,” as of December 31, 2022 and discounted such amounts to their present value using a range of selected discount rates. The terminal value of First Horizon was estimated by applying a range of terminal value multiples of 12.0x to 18.0x, which based on comparable companies’ long-term Price / EPS trading multiples. The range of “cost of equity” discount rates of 10.0% to 14.0% was selected based on a capital asset pricing model analysis of companies included in First Horizon’s selected comparable company analysis. Barclays then calculated a range of implied prices per share of First Horizon common stock by dividing the value derived from the dividend discount method by the fully diluted number of shares of First Horizon common stock as provided by First Horizon management. These calculations resulted in a range of implied values per share of First Horizon common stock of \$15.24 to \$24.35.

## Other Information

*Historical Trading Prices.* Barclays reviewed the historical trading prices of Capital Bank Financial common stock and First Horizon common stock during the 52-week trading period ending May 2, 2017. Barclays noted that the range for price per share during such fifty-two week period was \$28.05 to \$44.05 for Capital Bank Financial and \$12.54 to \$20.76 for First Horizon.

The historical trading prices analysis was presented for reference purposes only and was not relied upon for valuation purposes.

*Analyst Estimates.* In the course of its analysis, Barclays reviewed publicly available equity research analysts’ long-term price per share targets for Capital Bank Financial common stock and

First Horizon common stock. Barclays noted that the price targets issued by these research analysts ranged from \$40.00 to \$45.00 for Capital Bank Financial and \$18.25 to \$22.00 for First Horizon.

The analyst estimates analysis was presented for reference purposes only and was not relied upon for valuation purposes.

### ***General***

Barclays is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. First Horizon's board of directors selected Barclays because of its familiarity with First Horizon and its qualifications, reputation and experience in the valuation of businesses and securities in connection with mergers and acquisitions generally.

Barclays is acting as financial advisor to First Horizon in connection with the proposed merger. As compensation for its services in connection with the proposed merger, First Horizon paid Barclays \$1.5 million upon the delivery of Barclays' opinion, which we refer to in this joint proxy statement/prospectus as the "Opinion Fee." The Opinion Fee was not contingent upon the conclusion of Barclays' opinion or the consummation of the proposed merger. Additional compensation of \$12.5 million will be payable on completion of the proposed merger against which the amounts paid for the opinion will be credited. In addition, First Horizon has agreed to reimburse Barclays for expenses incurred in connection with the proposed merger and to indemnify Barclays for certain liabilities that may arise out of its engagement by First Horizon and the rendering of Barclays' opinion. Barclays has performed various investment banking and financial services for First Horizon and Capital Bank Financial in the past, and it expects to perform such services in the future, and expects to receive customary fees for such services. Specifically, in the two years prior to delivering its opinion, Barclays has performed the following investment banking and financial services: (A) for First Horizon (i) acting as co-manager on FTBNA's offering of senior notes in 2014 and (ii) acting as joint bookrunner on First Horizon's offering of senior notes in 2015, for which FTBNA and First Horizon paid Barclays approximately \$400,000 combined, and continues to provide investment banking and financial services; and (B) for Capital Bank Financial, acting on Capital Bank Financial's share buy-back in 2014 for which Barclays received approximately \$25,000.

In addition, Barclays and its affiliates in the past have provided, currently are providing, or in the future may provide, investment banking services to certain significant shareholders of Capital Bank Financial, including each of Crestview Partners, Franklin Resources, Oak Hill Advisors and Oak Hill Capital Partners (which entities we refer to as "sponsors"), and certain of their affiliates and portfolio companies and have received or in the future may receive customary fees for rendering such services, including (1) having acted or acting as financial advisor to sponsors and certain of their portfolio companies and affiliates in connection with certain mergers and acquisition transactions; (2) having acted or acting as arranger, bookrunner and/or lender for sponsors and certain of their portfolio companies and affiliates in connection with the financing for various acquisition transactions; and (3) having acted or acting as underwriter, initial purchaser and placement agent for various equity and debt offerings undertaken by sponsors and certain of their portfolio companies and affiliates.

Barclays and its affiliates engage in a wide range of businesses from investment and commercial banking, lending, asset management and other financial and non-financial services. In the ordinary course of its business, Barclays and its affiliates may actively trade and effect transactions in the equity, debt and/or other securities (and any derivatives thereof) and financial instruments (including loans and other obligations) of First Horizon and Capital Bank Financial for its own account and for the accounts of its customers and, accordingly, may at any time hold long or short positions and investments in such securities and financial instruments.

### ***Morgan Stanley & Co. LLC***

First Horizon retained Morgan Stanley to provide it with financial advisory services in connection with a possible acquisition of Capital Bank Financial, and, if requested by First Horizon, a financial opinion with respect thereto. First Horizon selected Morgan Stanley to act as one of its financial advisors based on Morgan Stanley's qualifications, expertise and reputation and its knowledge of the business and affairs of First Horizon. Morgan Stanley rendered to the First Horizon board of directors at its special meeting on May 3, 2017, its oral opinion, subsequently confirmed by delivery of a written opinion dated May 3, 2017, that, as of such date, and based upon and subject to the various assumptions made, procedures followed, matters considered, and qualifications and limitations on the scope of review undertaken by Morgan Stanley as set forth therein, the merger consideration to be paid by First Horizon pursuant to the merger agreement was fair, from a financial point of view, to First Horizon.

**The full text of the written opinion of Morgan Stanley, dated May 3, 2017, is attached as Appendix D and incorporated by reference into this joint proxy statement/prospectus. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion. Shareholders are urged to, and should, read the opinion carefully and in its entirety. Morgan Stanley's opinion is directed to the First Horizon board of directors and addresses only the fairness, from a financial point of view, to First Horizon of the merger consideration to be paid by First Horizon pursuant to the merger agreement as of the date of the opinion. Morgan Stanley's opinion does not address any other aspect of the transactions contemplated by the merger agreement and does not constitute a recommendation to shareholders of First Horizon or shareholders of Capital Bank Financial as to how to vote at any shareholders meetings held with respect to the merger or any other matter or whether to take any other action with respect to the merger. The summary of Morgan Stanley's opinion set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. In addition, the opinion does not in any manner address the price at which First Horizon common stock will trade following the consummation of the merger or at any time.**

For purposes of rendering its opinion, Morgan Stanley, among other things:

- reviewed certain publicly available financial statements and other business and financial information of First Horizon and Capital Bank Financial, respectively;
- reviewed certain internal financial statements and other financial and operating data concerning First Horizon and Capital Bank Financial, respectively;
- reviewed Wall Street consensus mean estimates for Capital Bank Financial as adjusted by management of First Horizon and financial projections for Capital Bank Financial prepared by management of First Horizon (the "Estimates for Capital Bank Financial");
- reviewed Wall Street consensus mean estimates for First Horizon as adjusted by management of First Horizon (the "Estimates for First Horizon");
- reviewed information relating to certain strategic, financial and operational benefits anticipated from the merger, prepared by the management of First Horizon;
- discussed the past and current operations and financial condition and the prospects of Capital Bank Financial, including information relation to certain strategic, financial and operational benefits anticipated from the merger, with senior executives of Capital Bank Financial;
- discussed the past and current operations and financial condition and the prospects of First Horizon, including information relating to certain strategic, financial and operational benefits anticipated from the merger, with senior executives of First Horizon;
- reviewed the pro forma impact of the merger on First Horizon's earnings per share, cash flow, consolidated capitalization and certain financial ratios;
- reviewed the reported prices and trading activity for Capital Bank Financial's common stock and First Horizon's common stock;

- compared the financial performance of Capital Bank Financial and First Horizon and the prices and trading activity of Capital Bank Financial common stock and First Horizon common stock with that of certain other publicly-traded companies comparable with Capital Bank Financial and First Horizon, respectively, and their securities;
- reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;
- participated in certain discussions and negotiations among representatives of Capital Bank Financial and First Horizon and their financial and legal advisors;
- reviewed the merger agreement and certain related documents; and
- performed such other analyses, reviewed such other information and considered such other factors as Morgan Stanley deemed appropriate.

In arriving at its opinion, Morgan Stanley assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to it by First Horizon and Capital Bank Financial, and formed a substantial basis for its opinion. With respect to the financial projections, including information relating to certain strategic, financial and operational benefits anticipated from the merger, Morgan Stanley assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of First Horizon of the future financial performance of Capital Bank Financial and First Horizon. With respect to adjustments by management of First Horizon to Wall Street consensus mean estimates with respect to the future financial performance of Capital Bank Financial, Morgan Stanley assumed that such adjustments have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of First Horizon of the future financial performance of Capital Bank Financial. In addition, Morgan Stanley was directed by First Horizon to use the Estimates for First Horizon and Estimates for Capital Bank Financial, and Morgan Stanley was advised by First Horizon, and assumed, with the First Horizon's consent, that the Wall Street consensus mean estimates used for the Estimates for First Horizon and Estimates for Capital Bank Financial were a reasonable basis upon which to evaluate the business and financial prospects of First Horizon and Capital Bank Financial, respectively. Morgan Stanley expressed no view as to such Wall Street consensus mean estimates or the assumptions on which they were based, including the selection of the analyst forecasts from which such estimates were derived. In addition, Morgan Stanley assumed that the merger will be consummated in accordance with the terms set forth in the merger agreement without any waiver, amendment or delay of any terms or conditions, including, among other things, that the definitive merger agreement would not differ in any material respect from the draft thereof furnished to Morgan Stanley. Morgan Stanley assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed merger, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed merger. Morgan Stanley is not an expert in the evaluation of allowance for loan losses, and it neither made an independent evaluation of the adequacy of the allowance for loan losses at Capital Bank Financial, nor did it examine any individual loan credit files of Capital Bank Financial or been requested to conduct such a review and as a result, Morgan Stanley assumed that the aggregate allowance for loan losses of the Company is adequate. Morgan Stanley is not a legal, tax, or regulatory advisor. Morgan Stanley is a financial advisor only and relied upon, without independent verification, the assessment of First Horizon and Capital Bank Financial and their legal, tax, or regulatory advisors with respect to legal, tax, or regulatory matters. Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities of First Horizon or Capital Bank Financial, nor was it furnished with any such valuations or appraisals. Morgan Stanley's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it, as of May 3, 2017. Events occurring after such date may affect Morgan Stanley's opinion and the assumptions used in preparing it, and Morgan Stanley did not assume any obligation to update, revise or reaffirm its opinion.

### ***Summary of Financial Analyses of Morgan Stanley***

The following is a summary of the material financial analyses performed by Morgan Stanley in connection with its oral opinion and the preparation of its written opinion letter dated May 3, 2017. The various financial analyses summarized below were based on closing prices of First Horizon common stock as of May 2, 2017, the last full trading day preceding the day of the special meeting of First Horizon's board of directors to consider, approve, adopt and authorize the merger agreement. **Some of these summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses used by Morgan Stanley, the tables must be read together with the text of each summary.** The tables alone do not constitute a complete description of the financial analyses. Furthermore, mathematical analysis (such as determining the average or median) is not in itself a meaningful method of using the data referred to below.

### ***Capital Bank Financial Public Trading Multiples Analysis***

Morgan Stanley performed a public trading multiples analysis, which is designed to provide an implied trading value of a company by comparing it to selected companies with similar characteristics to the company. Morgan Stanley selected the banks used in this analysis based upon the following criteria: region of operation, bank size and certain operational models and characteristics. Morgan Stanley compared certain financial information of Capital Bank Financial with publicly available information for the selected companies. The selected banks were chosen based on Morgan Stanley's knowledge of the industry and because these banks have businesses that may be considered similar to Capital Bank Financial's. Although none of these banks are identical or directly comparable to Capital Bank Financial, these banks are all publicly traded U.S. banks in the southeast region with assets between \$5 billion and \$15 billion. The selected banks included:

- United Bankshares, Inc.
- Pinnacle Financial Partners, Inc.
- South State Corporation
- United Community Banks, Inc.
- WesBanco, Inc.
- FCB Financial Holdings, Inc.
- Union Bankshares Corporation
- TowneBank
- Ameris Bancorp
- ServisFirst Bancshares, Inc.
- CenterState Banks, Inc.

In all instances, multiples were based on closing stock prices on May 2, 2017. For each of the following analyses performed by Morgan Stanley, financial and market data for the selected companies were based on the most recent publicly available information.

With respect to the selected companies, the information Morgan Stanley presented included:

- multiple of price to estimated earnings per share for 2018, or Price / 2018E EPS; and
- multiple of price to tangible book value per share, or Price / Tangible Book Value

	Selected Companies' Median	Selected Companies' Average	Capital Bank Financial on March 14, 2017 (Unaffected)	Capital Bank Financial on May 2, 2017
<b>Price / 2018E EPS</b>	15.1x	15.9x	18.6x	19.0x
<b>Price / Tangible Book Value</b>	2.6x	2.6x	2.1x	2.1x

Based on the analysis of the relevant metrics for each of the selected banks, Morgan Stanley selected a range of multiples and applied this range of multiples to the relevant financial statistics

for Capital Bank Financial. For purposes of this analysis, Morgan Stanley utilized Wall Street consensus mean 2018 EPS estimate as adjusted by management of First Horizon of \$2.14 and tangible book value per share of Capital Bank Financial common stock of \$20.29 as of March 31, 2017.

Morgan Stanley estimated the implied trading value per share of Capital Bank Financial's common stock as of May 2, 2017, as follows:

	Capital Bank Financial Metric	Multiple Statistic Range	Implied Value Per Share of Capital Bank Financial Common Stock
<b>Price / 2018E EPS</b>	\$ 2.14	15x – 18x	\$ 32.10 – \$38.52
<b>Price / Core Tangible Book Value</b>	\$ 20.29	2.1x – 2.6x	\$ 36.43 – \$43.87

Morgan Stanley also did a regression-based analysis based on price / tangible book value versus 2017 return on tangible common equity. The low-end range of \$26.55 represents the implied value if Capital Bank Financial were to trade on the regression line, and the high-end range of \$38.54 represents the implied value assuming core Capital Bank Financial capital base of 9.0% Common Equity Tier 1 ratio and assuming excess capital is valued dollar-for-dollar.

Morgan Stanley noted that the consideration to be paid by First Horizon pursuant to the merger agreement was \$40.38 per share of Capital Bank Financial common stock, consisting of \$7.90 in cash and 1.750 First Horizon common stock. The implied purchase price per share is based on First Horizon's closing stock price of \$18.56 on May 2, 2017 and assuming Capital Bank Financial has 53.5 million shares outstanding on a fully diluted basis.

No company in the public trading multiples analysis is identical to Capital Bank Financial. In evaluating the group of selected companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Capital Bank Financial, such as the impact of competition on the business of Capital Bank Financial or the industry generally, industry growth and the absence of any material adverse change in the financial condition and prospects of Capital Bank Financial or the industry or in the financial markets in general. Mathematical analysis, such as determining the average or median, is not in itself a meaningful method of using peer group data.

### ***Capital Bank Financial Discounted Cash Flow Analysis***

Morgan Stanley performed a discounted cash flow analysis to determine a range of potential per share values for Capital Bank Financial on a pro forma basis. Morgan Stanley calculated a range of implied prices per share of Capital Bank Financial common stock based on the sum of the discounted after-tax net present values of (i) annual free cash flows that Capital Bank Financial is estimated to generate for the fiscal years ending December 31, 2017 through December 31, 2022, assuming a Common Equity Tier 1 ratio target level of 9.0% and (ii) a projected terminal value of Capital Bank Financial common stock as of December 31, 2022. Morgan Stanley then discounted the cash flows back to March 31, 2017.

### ***Capital Bank Financial Discounted Cash Flow Analysis without Synergies***

For the implied value range of Capital Bank Financial on a standalone basis, Morgan Stanley based its analysis on a range of terminal multiples of 14.0x to 16.0x forward EPS, 9.0% to 11.0% discount rate, a 9.0% Common Equity Tier 1 ratio target level, the Estimates for Capital Bank Financial, 0.25% opportunity cost of cash, and risk-weighted assets growth per the Estimates for Capital Bank Financial. Utilizing the range of discount rates and terminal value multiples, Morgan Stanley derived an implied valuation range of present value indications per share of Capital Bank Financial common stock ranging from \$36.09 to \$43.05.



### *Capital Bank Financial Discounted Cash Flow Analysis with Synergies*

For the implied value range of Capital Bank Financial on a pro forma basis, pursuant to guidance from management of First Horizon, Morgan Stanley adjusted for assumptions made by First Horizon regarding cost savings, fair market value adjustments, and other transaction adjustments that were assumed by management of First Horizon. These EPS estimates were then used to estimate annual free cash flows for Capital Bank Financial with synergies for 2018 through 2022. To determine implied value per share, Morgan Stanley considered a range of discount rates from 9.0% to 11.0% and a range of terminal values based on a multiple of estimated net income in 2023 of 14.0x to 16.0x. Utilizing the range of discount rates and terminal value multiples, Morgan Stanley derived an implied valuation range of present value indications per share of Capital Bank Financial common stock ranging from \$42.15 to \$50.76.

The discounted cash flow analysis is not necessarily indicative of actual values or future results. The results of the discounted cash flow analysis are highly dependent on the assumptions being made, including earnings growth rates, asset growth rates, target tangible common equity ratios, dividend payout amounts, terminal values and discount rates.

### *Select Precedent M&A Transactions Analysis*

Using publicly available information, Morgan Stanley reviewed the terms of selected precedent transactions, including transactions with a deal value greater than \$1 billion announced since January 1, 2015, in which the targets were banks that operate in and/or were exposed to similar lines of business as Capital Bank Financial. For each of these transactions, Morgan Stanley reviewed the price paid and calculated the multiple of price to tangible book value and the multiple of price to forward EPS. The following table sets forth the selected transactions considered, including their respective dates of announcement:

#### *Select Precedent M&A Transactions*

<b>Buyer/Target</b>	<b>Announcement Date</b>
Sterling / Astoria	03/07/17
IBERIA / Sabadell	02/28/17
Pinnacle / BNC Bancorp	01/22/17
F.N.B. / Yadkin	07/21/16
CIBC / PrivateBancorp	06/29/16
Huntington / FirstMerit	01/26/16
BBCN / Wilshire	12/07/15
KeyCorp / First Niagara	10/30/15
BB&T / National Penn	08/17/15
RBC / City National	01/22/15

Morgan Stanley reviewed for each of the transactions listed above, among other things, total assets and transaction values, 1-day market premiums and 30-day market premiums, the multiple of price to tangible book value, the multiple of price to forward EPS, and core deposit premiums. Financial data of the selected transactions were based on publicly available research analysts' estimates, public filings and other publicly available information at the time of announcement of the relevant transaction. Based on the analysis of the relevant metrics for each of the selected transactions, Morgan Stanley selected a range of multiples and premiums and applied these ranges of multiples and premiums to the relevant financial statistics for Capital Bank Financial. For purposes of this analysis, Morgan Stanley utilized 2018 EPS estimate of \$2.14 based on Wall Street consensus mean estimates as adjusted by management of First Horizon, tangible book value per share of Capital Bank Financial common stock of \$20.29 as of March 31, 2017 and core deposits per share of Capital Bank Financial of \$138 as of March 31, 2017.

Morgan Stanley estimated the implied value per share of Capital Bank Financial's common stock as of May 2, 2017, as follows:

	Capital Bank Financial Metric	Multiple Statistic Range	Implied Value Per Share of Capital Bank Financial Common Stock
<b>Price / Forward Earnings</b>	\$ 2.14	16x – 21x	\$34.24 – \$44.94
<b>Price / Tangible Book Value</b>	\$ 20.29	2.0x – 2.5x	\$40.58 – \$50.73
<b>Core Deposit Premium</b>	\$ 138	10% – 20%	\$34.09 – \$47.89

Morgan Stanley noted that the consideration to be paid by First Horizon pursuant to the merger agreement consisted of \$7.90 in cash and 1.750 shares of First Horizon common stock based on a fixed exchange ratio. The implied purchase price per share is based on the First Horizon closing stock price of \$18.56 on May 2, 2017 and assuming Capital Bank Financial has 53.5 million shares outstanding on a fully diluted basis.

No company or transaction utilized as a comparison in the selected precedent transactions analysis is identical to Capital Bank Financial or First Horizon; nor are the transactions identical to the transactions contemplated by the merger agreement. In evaluating the transactions listed above, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of First Horizon and Capital Bank Financial, such as the impact of competition on the business of First Horizon and Capital Bank Financial or the industry generally, industry growth and the absence of any adverse material change in the financial condition and prospects of Capital Bank Financial or the industry or in the financial markets in general, which could affect the public trading value of the companies and the aggregate value of the transactions to which they are being compared. Accordingly, mathematical analysis, such as determining the average or median, is not in itself a meaningful method of using comparable transaction data.

### ***First Horizon Public Trading Multiples Analysis***

Morgan Stanley performed a public trading multiples analysis, which is designed to provide an implied trading value of a company by comparing it to selected companies with similar characteristics to the company. Morgan Stanley selected the companies used in this analysis based upon the following criteria: region of operation, company size and certain operational models and characteristics. Morgan Stanley compared certain financial information of First Horizon with publicly available information for the selected companies. The selected banks were chosen based on Morgan Stanley's knowledge of the industry and because these banks have businesses that may be considered similar to First Horizon's. They are all publicly traded banks in the US with total assets between \$20 billion and \$40 billion. The selected banks included:

- First Citizens BancShares, Inc.
- BOK Financial Corporation
- Synovus Financial Corp.
- Associated Banc-Corp
- BankUnited, Inc.
- Webster Financial Corporation
- Wintrust Financial Corporation
- Hancock Holding Company
- Commerce Bancshares, Inc.
- Umpqua Holding Corporation
- Investors Bancorp, Inc.
- Valley National Bancorp
- F.N.B. Corporation
- IBERIABANK Corporation
- TCF Financial Corporation

- UMB Financial Corporation

In all instances, multiples were based on closing stock prices on May 2, 2017. For each of the following analyses performed by Morgan Stanley, financial and market data for the selected companies were based on the most recent publicly available information.

With respect to the selected companies, the information Morgan Stanley presented included:

- multiple of price to estimated earnings per share for 2018, or Price / 2018 EPS; and
- multiple of price to tangible book value per share, or Price / Tangible Book Value

	Selected Companies' Median	Selected Companies' Average	First Horizon
<b>Price / 2018E EPS</b>	15.6x	15.4x	14.2x
<b>Price / Tangible Book Value</b>	1.9x	1.9x	2.0x

Based on the analysis of the relevant metrics for each of the selected banks, Morgan Stanley selected a range of multiples and applied this range of multiples to the relevant financial statistics for First Horizon. For purposes of this analysis, Morgan Stanley utilized a 2018 EPS estimate of \$1.31 based on the Estimates for First Horizon and tangible book value per share of \$9.14 as of March 31, 2017.

Morgan Stanley estimated the implied trading value per share of First Horizon common stock as of May 2, 2017, as follows:

	First Horizon Metric	Multiple Statistic Range	Implied Value Per First Horizon Common Stock
<b>Price / 2018E EPS</b>	\$ 1.31	14x – 16x	\$ 18.34 – \$20.96
<b>Price / Tangible Book Value</b>	\$ 9.14	1.8x – 2.2x	\$ 16.45 – \$20.11

Morgan Stanley also did a regression-based analysis based on price / tangible book value versus 2017 return on tangible common equity. The low-end range was \$16.93 and the high-end range was \$20.69. The analysis represents a +/- 10% range from the regression implied price.

No company in the public trading multiples analysis is identical to First Horizon. In evaluating the group of selected companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of First Horizon, such as the impact of competition on the business of First Horizon or the industry generally, industry growth and the absence of any material adverse change in the financial condition and prospects of First Horizon or the industry or in the financial markets in general. Mathematical analysis, such as determining the average or median, is not in itself a meaningful method of using peer group data.

### ***First Horizon Discounted Cash Flow Analysis***

Morgan Stanley performed a discounted cash flow analysis to determine a range of potential per share values for First Horizon on a standalone basis. Morgan Stanley calculated a range of implied prices per share of First Horizon common stock based on the sum of the discounted after-tax net present values of (i) annual free cash flows that First Horizon is estimated to generate for the fiscal years ending December 31, 2017 through December 31, 2022, assuming an 8.5% Common Equity Tier 1 ratio target level (mid-point of management public guidance of 8.0-9.0%), and (ii) a projected terminal value of First Horizon common stock as of December 31, 2022. Morgan Stanley then discounted the cash flows back to March 31, 2017.

For the implied value range of First Horizon on a standalone basis, Morgan Stanley based its analysis on range of terminal multiples of 14.0x to 16.0x forward EPS, 10.0% to -12.0% discount rate, a 8.5% Common Equity Tier 1 ratio target level (mid-point of management public guidance of 8.0-9.0%), the Estimates of First Horizon, long-term EPS growth rate of 7.0% used at the direction of First Horizon management, a 0.25% opportunity cost of cash, and risk-weighted assets growth rate of 5.0%. Utilizing the range of discount rates and terminal value multiples, Morgan

Stanley derived an implied valuation range of present value indications per share of First Horizon common stock ranging from \$18.21 to \$21.71.

### ***General***

In connection with the review of the merger by First Horizon's board of directors, Morgan Stanley performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. Morgan Stanley believes that selecting any portion of its analyses, without considering all analyses as a whole, would create an incomplete view of the process underlying its analyses and opinion. In addition, Morgan Stanley may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis described above should not be taken to be Morgan Stanley's view of the actual value of First Horizon or Capital Bank Financial. In performing its analyses, Morgan Stanley made numerous assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters which are beyond the control of First Horizon or Capital Bank Financial. Any estimates contained in Morgan Stanley's analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Morgan Stanley conducted the analyses described above solely as part of its analysis of the fairness, from a financial point of view, to First Horizon of the merger consideration to be paid by First Horizon pursuant to the merger agreement, and in connection with the delivery of its oral opinion, and its subsequent written opinion, to First Horizon's board of directors. These analyses do not purport to be appraisals or to reflect the prices at which First Horizon common stock or Capital Bank Financial common stock might actually trade.

The consideration was determined through arm's-length negotiations between First Horizon and Capital Bank Financial and was approved by First Horizon's board of directors. Morgan Stanley provided advice to First Horizon during these negotiations but did not, however, recommend any specific merger consideration to First Horizon, or that any specific merger consideration constituted the only appropriate merger consideration for the merger.

Morgan Stanley's opinion and its presentation to First Horizon's board of directors was one of many factors taken into consideration by First Horizon's board of directors in deciding to approve, adopt and authorize the merger agreement. Consequently, the analyses as described above should not be viewed as determinative of the opinion of First Horizon's board of directors with respect to the merger consideration or of whether First Horizon's board of directors would have been willing to agree to a different merger consideration. Morgan Stanley's opinion was approved by a committee of Morgan Stanley investment banking and other professionals in accordance with its customary practice.

First Horizon's board of directors retained Morgan Stanley based upon Morgan Stanley's qualifications, experience and expertise. Morgan Stanley is an internationally recognized investment banking and advisory firm. Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management business. Its securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of First Horizon, Capital Bank Financial or any other company, or any currency or commodity, that may be involved in this transaction, or any related derivative instrument.

As compensation for its services relating to the merger, First Horizon has agreed to pay Morgan Stanley a fee of \$5 million in the aggregate, \$1.5 million of which was payable upon the rendering of its opinion and \$3.5 million of which is contingent upon the consummation of the merger. First Horizon has also agreed to reimburse Morgan Stanley for its reasonable expenses incurred in performing its services. In addition, First Horizon has agreed to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities laws, related to or arising out of Morgan Stanley's engagement. During the two years preceding the date of delivery of Morgan Stanley's written opinion, Morgan Stanley and its affiliates have provided financial advisory and financing services to First Horizon, for which Morgan Stanley and its affiliates have received fees of less than \$1 million in connection with such services. Morgan Stanley may also seek to provide financial advisory and financing services to the First Horizon and its respective affiliates in the future and would expect to receive fees for the rendering of these services. In addition, Morgan Stanley and its affiliates in the past have provided, currently are providing, or in the future may provide, investment banking services to each of Crestview Partners, Franklin Resources, Oak Hill Advisors and Oak Hill Capital Partners, and certain of their affiliates and portfolio companies and have received or in the future may receive customary fees for rendering such services.

### **The First Horizon Board of Directors After the Mergers**

Pursuant to the merger agreement, First Horizon will take all appropriate action so that, as of the effective time, the number of directors constituting the First Horizon board of directors will be increased by two and that one of the two vacancies will be filled by Mr. R. Eugene Taylor (the Chairman and Chief Executive Officer of Capital Bank Financial) and the other will be filled by Mr. Peter N. Foss, a member of the Capital Bank Financial board of directors. Information regarding current directors of First Horizon and Capital Bank Financial, including biographical information, compensation and stock ownership, can be found in each of First Horizon's and Capital Bank Financial's proxy statements for their respective 2017 annual meetings, which are filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

### **Interests of Capital Bank Financial's Directors and Executive Officers in the Merger**

In considering the recommendations of Capital Bank Financial's board of directors with respect to the merger, you should be aware that Capital Bank Financial's directors and executive officers have agreements or arrangements that provide them with interests in the merger, including financial interests, that may be different from, or in addition to, the interests of the other Capital Bank Financial common stockholders. Capital Bank Financial's board of directors was aware of these interests during its deliberations of the merits of the merger and in determining to recommend to Capital Bank Financial's stockholders that they vote for the Capital Bank Financial merger proposal and thereby approve the transactions contemplated by the merger agreement, including the merger. See the sections entitled "The Mergers—Background of the Merger" and "The Mergers—Capital Bank Financial's Reasons for the Merger; Recommendation of Capital Bank Financial's Board of Directors" of this joint proxy statement/prospectus, respectively. These interests are described in more detail below, and certain interests are quantified in the narrative and table below. As the amounts indicated below are estimates based on multiple assumptions that may or may not actually occur or be accurate as of the date referenced, the actual amounts, if any, that may be paid or become payable may materially differ from the amounts set forth below.

#### *Treatment of Capital Bank Financial Compensatory Equity Awards*

**Options.** At the effective time, each outstanding option to purchase shares of Capital Bank Financial common stock (which we refer to as a "Capital Bank Financial stock option") will fully vest (to the extent unvested) and be assumed by First Horizon and converted into an option to purchase a number of shares of First Horizon common stock (rounded down to the nearest whole

share) equal to the number of shares of Capital Bank Financial common stock underlying the Capital Bank Financial stock option multiplied by the exchange ratio, with an exercise price per share (rounded up to the nearest whole cent) equal to the exercise price per share of the Capital Bank Financial stock option divided by the exchange ratio. Except as described in the immediately preceding sentence, each such First Horizon stock option will continue to have the same terms and conditions as applied to the corresponding Capital Bank Financial stock option immediately prior to the effective time. As of the date of this joint proxy statement/prospectus, Kenneth A. Posner, Capital Bank Financial's Chief of Strategic Planning and Investor Relations, was the only executive officer who held unvested Capital Bank Financial stock options and no non-employee directors held unvested Capital Bank Financial stock options.

*Restricted Stock.* At the effective time, each outstanding share of restricted stock of Capital Bank Financial will fully vest and be cancelled and converted into the right to receive an amount in cash equal to the per share cash consideration, less applicable tax withholdings.

*Quantification of Payments.* For an estimate of the amounts that would be payable to each of Capital Bank Financial's named executive officers upon settlement of their unvested Capital Bank Financial equity awards for which vesting will be accelerated in connection with the merger, see "—Merger-Related Compensation for Capital Bank Financial's Named Executive Officers" below. The estimated aggregate amount that would be payable to Capital Bank Financial's two executive officers who are not named executive officers upon settlement of their unvested Capital Bank Financial equity awards for which vesting will be accelerated in connection with the merger if the effective time occurred on July 21, 2017 is \$720,670. None of Capital Bank Financial's seven non-employee directors hold any unvested Capital Bank Financial equity awards as of July 21, 2017. The amounts specified in this paragraph are determined using a price per share of Capital Bank Financial common stock of \$39.28, the average closing price per share over the first five business days following the announcement of the merger agreement.

#### *Existing Employment Agreements between Capital Bank Financial and Certain Named Executive Officers*

Capital Bank Financial has existing employment agreements with each of Capital Bank Financial's named executive officers (other than Kenneth J. Kavanagh, Capital Bank Financial's Consumer Banking Executive), which provide for severance benefits in the event of, among other things, a termination of employment by Capital Bank Financial without cause, a resignation by the named executive officer with good reason, or due to the named executive officer's death or disability, in each case, within two years following a change in control (each of which we refer to as a "qualifying termination" of such named executive officer). The merger will constitute a change in control for purposes of the employment agreements.

Upon a qualifying termination, the named executive officer would be entitled to receive:

- a lump sum cash payment equal to 2.99 times the sum of the named executive officer's base salary in effect immediately prior to the termination of employment and the named executive officer's target incentive payment (whether payable in cash or equity) for the year of termination of employment or, if higher, or if no target incentive payment has been established for such year, the incentive payment paid or payable to the named executive officer in respect of the last completed fiscal year of Capital Bank Financial prior to the date of termination; and
- continued health, medical, dental, vision, and life insurance benefits for 36 months following the qualifying termination.

The employment agreements provide that any payments or benefits payable to the named executive officers (other than Mr. Kavanagh) will be reduced to the extent that such payments or benefits would result in the imposition of excise taxes under Section 4999 of the Code, unless the named executive officer would be better off on an after-tax basis receiving all such payments or benefits. Under the employment agreements, each of the named executive officers (other than Mr. Kavanagh) is also subject to a confidentiality covenant and, during his employment and for

12 months thereafter, noncompetition and nonsolicitation covenants in favor of Capital Bank Financial. However, under the merger agreement, Capital Bank Financial is permitted to amend the employment agreement with Christopher G. Marshall, Capital Bank Financial's Chief Financial Officer, to provide that the noncompetition covenant thereunder will not apply following the occurrence of a change in control, but that the nonsolicitation covenant will apply for a period of two years following his termination of employment.

Under the merger agreement, immediately prior to the effective time, Capital Bank Financial is permitted to pay the cash severance amounts contemplated by the employment agreements to each named executive officer (other than Mr. Kavanagh) that would be due to the named executive officer on a resignation with good reason during the two-year period following a change in control. In addition, as discussed more fully below, First Horizon has entered into a new employment agreement with R. Eugene Taylor, Capital Bank Financial's Chief Executive Officer, which will supersede his existing employment agreement as of the effective time. See "—New Employment Agreement between First Horizon and R. Eugene Taylor" below.

For an estimate of the value of the payments and benefits described above that would be payable to each of the named executive officers (other than Mr. Kavanagh) under their employment agreements, see "—Merger-Related Compensation for Capital Bank Financial's Named Executive Officers" below.

#### *Existing Change in Control Severance Agreements between Capital Bank Financial and Certain Other Executive Officers*

Capital Bank Financial has existing change in control severance agreements with each of Mr. Kavanagh and Capital Bank Financial's two executive officers who are not named executive officers, which provide for severance benefits in the event of a termination of employment by Capital Bank Financial without cause or a resignation by the executive officer with good reason, in each case, within two years following a change in control (each of which we refer to as a "qualifying termination" of such executive officer). The merger will constitute a change in control for purposes of the change in control severance agreements.

Upon a qualifying termination, each of Mr. Kavanagh and each executive officer who is not a named executive officer would be entitled to:

- a lump sum cash payment equal to 1.5 times the sum of the executive officer's base salary and the executive officer's target incentive payment (whether payable in cash or equity) for the year of termination of employment or, if higher, or if no target incentive payment has been established for such year, the incentive payment paid or payable to the executive officer in respect of the last completed fiscal year of Capital Bank Financial prior to the date of termination; and
- continued health, medical, dental, vision, and life insurance benefits for 18 months following the qualifying termination.

The change in control severance agreements provide that any payments or benefits payable to Mr. Kavanagh and the two executive officers who are not named executive officers will be reduced to the extent that such payments or benefits would result in the imposition of excise taxes under Section 4999 of the Code, unless the executive officer would be better off on an after-tax basis receiving all such payments or benefits. Under the change in control severance agreements, each of the executive officers is also subject to a confidentiality covenant and, during his or her employment and for 12 months thereafter, a nonsolicitation covenant in favor of Capital Bank Financial.

Under the merger agreement, immediately prior to the effective time, Capital Bank Financial is permitted to pay the cash severance amounts contemplated by the change in control severance agreements to Mr. Kavanagh and Capital Bank Financial's two executive officers who are not named executive officers that would be due to such executive officers on a resignation with good reason during the two-year period following a change in control.

For an estimate of the value of the payments and benefits described above that would be payable to Mr. Kavanagh under his change in control severance agreement, see "—Merger-Related

Compensation for Capital Bank Financial's Named Executive Officers" below. The estimated aggregate amount that would be payable to Capital Bank Financial's two executive officers who are not named executive officers under their respective change in control severance agreements if the effective time were to occur on July 21, 2017 is \$1,140,706.

*New Employment Agreement between First Horizon and R. Eugene Taylor*

In connection with Capital Bank Financial's entry into the merger agreement, Mr. Taylor entered into an employment agreement with First Horizon (which we refer to as the "First Horizon employment agreement"), which agreement will become effective for a two-year term as of the effective time and supersede and replace Mr. Taylor's existing employment agreement with Capital Bank Financial. Under the employment agreement, Mr. Taylor will serve as Vice Chairman of First Horizon and report to the Chief Executive Officer of First Horizon. In addition, effective as of the effective time, Mr. Taylor will be appointed to the First Horizon board of directors and, during the term of the employment agreement, will be nominated to serve on the First Horizon board of directors. Under the First Horizon employment agreement, First Horizon has agreed that Mr. Taylor may, prior to the effective time (or, if not practicable prior to the effective time, following the effective time), enter into a Rule 10b5-1 Plan providing for his sale of shares of First Horizon common stock and liquidation of stock options to purchase shares of First Horizon common stock received by Mr. Taylor in connection with the merger.

The First Horizon employment agreement provides for an annual base salary of \$700,000 (subject to annual increases as determined by the compensation committee of the First Horizon board of directors), an annual incentive payment of no less than 100% of Mr. Taylor's annual base salary, and the grant at the effective time of a restricted stock award having a grant date fair market value of \$2.1 million, which award will vest on the second anniversary of the closing date, subject to Mr. Taylor's continued employment and to accelerated vesting upon a termination of employment without cause, a resignation with good reason, or a termination of employment due to death or disability. The First Horizon employment agreement also provides for a payment immediately prior to the effective time of the cash severance under Mr. Taylor's existing employment agreement with Capital Bank Financial that would be due to Mr. Taylor on a resignation with good reason during the two-year period following a change in control, as described above in "—Existing Employment Agreements between Capital Bank Financial and Certain Named Executive Officers."

If, during the term of the First Horizon employment agreement, Mr. Taylor is terminated without cause or resigns with good reason, he will be entitled to receive a lump sum payment equal to the amount of base salary and minimum annual incentive payment he would have received through the second anniversary of the closing if his employment had not been terminated, a prorated bonus for the year of termination (based on target performance), continued welfare benefits (as described above in "—Existing Employment Agreements between Capital Bank Financial and Certain Named Executive Officers") for 36 months following termination of employment, and accelerated vesting of the restricted stock award described in the immediately preceding paragraph. In addition, upon Mr. Taylor's termination of employment due to his death or disability, he (or his estate, if applicable) will be entitled to receive a prorated bonus for the year of termination (based on target performance), accelerated vesting of the restricted stock award, and continued welfare benefits as described above. In addition, upon Mr. Taylor's termination of employment on or following the expiration of the First Horizon employment agreement, he will be entitled to receive a prorated bonus for the year of termination (based on target performance) and continued welfare benefits as described above. If Mr. Taylor resigns without good reason or is terminated with cause during the term of the First Horizon employment agreement, he will be entitled to continued welfare benefits as described above.

The First Horizon employment agreement requires First Horizon to reimburse Mr. Taylor, with interest, for any legal fees and expenses that he may reasonably incur as a result of any contest (regardless of the outcome thereof) of the validity or enforceability of, or any liability under, any provision of the First Horizon employment agreement, or any guarantee of performance under the First Horizon employment agreement. The First Horizon employment agreement also retains the



provisions related to excise taxes under Section 4999 of the Code and the restrictive covenants contained in Mr. Taylor's existing employment agreement with Capital Bank Financial, as described above in "—Employment Agreements with Certain Named Executive Officers."

#### *Capital Bank Financial Corp. Nonqualified Excess Plan*

Certain of Capital Bank Financial's executive officers participate in the Capital Bank Financial Corp. Nonqualified Excess Plan, which provides for the accelerated payment of outstanding balances credited to the executive officer's account under the plan upon the occurrence of a change in control. As of the date of this joint proxy statement/prospectus, all of the Capital Bank Financial executive officers who participate in the Nonqualified Excess Plan were fully vested in their balance under the plan.

#### *Other Compensation Matters*

Under the terms of the merger agreement, Capital Bank Financial may pay bonuses in respect of the 2017 fiscal year to eligible employees (including executive officers) upon the earlier of immediately prior to the effective time and the date upon which such bonuses would be paid in the ordinary course, with such bonuses prorated if the closing date occurs prior to December 31, 2017. These bonus payments will be based on the greater of target performance and actual performance, without regard to costs and expenses associated with the merger. For an estimate of the value of the prorated bonus payable to each of the named executive officers in connection with the merger, see "—Merger-Related Compensation for Capital Bank Financial's Named Executive Officers." The estimated aggregate prorated bonuses (based on target performance) that would be payable to Capital Bank Financial's two executive officers who are not named executive officers in connection with the merger if the effective time were to occur on July 21, 2017 is \$100,654. In addition, if the effective time has not occurred by January 1, 2018, Capital Bank Financial may also pay prorated bonuses to any eligible employees who it reasonably expects to experience a severance qualifying termination on or following the closing in respect of the 2018 fiscal year based upon target performance.

If the effective time occurs prior to January 15, 2018, Capital Bank Financial may pay to eligible employees (including executive officers) an amount in cash equal to the aggregate grant date fair market value of equity awards granted to such employee in 2017, prorated for the number of days elapsed during 2017 through the closing. For an estimate of the value of the prorated equity payments payable to each of the named executive officers in connection with the merger, see "—Merger-Related Compensation for Capital Bank Financial's Named Executive Officers." The estimated aggregate prorated equity payments that would be payable to Capital Bank Financial's two executive officers who are not named executive officers in connection with the merger if the effective time were to occur on July 21, 2017 is \$232,784. In lieu of the foregoing payments, if the effective time occurs on or after January 15, 2018, Capital Bank Financial may grant 2018 annual equity awards in the ordinary course of business, which awards would be treated in the merger in the same manner as awards that are currently outstanding (as described below in "The Merger Agreement—Capital Bank Financial Compensatory Equity Awards").

Capital Bank Financial also may, in consultation with First Horizon, take such actions as it reasonably determines are necessary or appropriate to mitigate the impact of Section 4999 of the Code, including accelerating the vesting and settlement of Capital Bank Financial equity awards so that such awards vest and settle in 2017 and determining and paying bonuses and incentives in respect of the 2017 fiscal year on or prior to December 31, 2017.

As of the date of this joint proxy statement/prospectus, other than Mr. Taylor, none of the Capital Bank Financial executive officers has entered into any agreement with First Horizon or its affiliates regarding employment with, or the provision of services to, First Horizon or any of its affiliates. Prior to or following the closing, however, some or all of the other Capital Bank Financial executive officers may discuss or enter into employment or other arrangements with First Horizon or its affiliates regarding employment with, or the provision of other services to, First Horizon or its affiliates.

### *Indemnification; Directors' and Officers' Insurance*

Capital Bank Financial is party to indemnification agreements with each of its directors and executive officers that require Capital Bank Financial, among other things, to indemnify the directors and executive officers against certain liabilities that may arise by reason of their status or service as directors or officers. In addition, pursuant to the terms of the merger agreement, Capital Bank Financial's directors and executive officers will be entitled to certain ongoing indemnification and coverage under directors' and officers' liability insurance policies from the surviving corporation. Such indemnification and insurance coverage is further described in the section entitled "The Merger Agreement—Covenants and Agreements—Director and Officer Indemnification and Insurance" of this joint proxy statement/prospectus.

### *Board of Directors of First Horizon Following the Merger*

Pursuant to the merger agreement, First Horizon has agreed to cause the number of directors that will comprise the board of directors of First Horizon on and after the effective time to be increased by two members and to appoint two then-current directors of Capital Bank Financial (Mr. Taylor and Mr. Foss) to fill the vacancies resulting from such increase.

### **Merger-Related Compensation for Capital Bank Financial's Named Executive Officers**

This section sets forth the information required by Item 402(t) of Regulation S-K regarding the compensation for each of Capital Bank Financial's named executive officers that is based on or otherwise relates to the merger. The merger-related compensation payable to these individuals is subject to a non-binding advisory vote of Capital Bank Financial's stockholders, as described above in "Capital Bank Financial Proposals—Proposal No. 2 Capital Bank Financial Compensation Proposal."

The table below sets forth the amount of payments and benefits that each of Capital Bank Financial's named executive officers would receive in connection with the merger, assuming that the merger were consummated and each such named executive officer experienced a qualifying termination on July 21, 2017. The amounts below are determined using a price per share of Capital Bank Financial common stock of \$39.28, the average closing price per share of Class A common stock over the first five business days following the announcement of the merger agreement, and are based on multiple assumptions that may or may not actually occur or be accurate on the relevant date, including the assumptions described in the footnotes to the table. The amounts below do not take into account the effect of the new agreement between First Horizon and Mr. Taylor entered into in connection with entry into the merger agreement, which will govern the terms and conditions of his employment with First Horizon following the effective time. As a result of the foregoing assumptions, the actual amounts, if any, to be received by a Capital Bank Financial named executive officer may materially differ from the amounts set forth below.

<b>Name</b>	<b>Cash (\$)<sup>(1)</sup></b>	<b>Equity (\$)<sup>(2)</sup></b>	<b>Perquisites/ Benefits (\$)<sup>(3)</sup></b>	<b>Total (\$)</b>
R. Eugene Taylor	5,126,822	1,917,139	27,665	7,071,626
Christopher G. Marshall	3,523,441	1,328,725	39,760	4,891,926
R. Bruce Singletary	2,432,743	932,114	27,255	3,392,112
Kenneth A. Posner	2,018,061	754,811	38,873	2,811,745
Kenneth J. Kavanagh	910,206	546,031	19,762	1,475,999

<sup>(1)</sup> The cash payments payable to each of the Capital Bank Financial named executive officers consist of (a) a lump sum payment equal to 2.99 times (1.5 times, in the case of Mr. Kavanagh) the sum of the named executive officer's base salary and target incentive payment; (b) a lump sum prorated bonus for 2017 (based on target performance); and (c) a lump sum prorated equity payment. The payments described in clauses (b) and (c) are "single-trigger" (i.e., payable upon consummation of a change in control) and the payment described in clause (a) is "double-trigger" (i.e., payable upon a qualifying termination following a change in control), although under the

merger agreement, Capital Bank Financial may pay such payment on a “single-trigger” basis. Set forth below are the separate values of each of payments described in clauses (a)–(c) above.

<b>Name</b>	<b>Cash Severance Payment (\$)</b>	<b>Prorated Bonus (\$)</b>	<b>Prorated Equity (\$)</b>
R. Eugene Taylor	4,186,000	290,548	650,274
Christopher G. Marshall	2,870,400	199,233	453,808
R. Bruce Singletary	1,973,400	136,972	322,371
Kenneth A. Posner	1,644,500	114,143	259,418
Kenneth J. Kavanagh	675,000	62,262	172,944

- <sup>(2)</sup> As described above, all unvested equity-based awards held by Capital Bank Financial’s named executive officers will become vested at the effective time (i.e., “single-trigger” vesting). Set forth below are the values of each type of equity-based award that would become vested upon the effective time, based on a price per share of Capital Bank Financial common stock of \$39.28, the average closing price per share over the first five business days following the announcement of the merger agreement.

<b>Name</b>	<b>Stock Options (\$)</b>	<b>Restricted Stock (\$)</b>
R. Eugene Taylor	—	1,917,139
Christopher G. Marshall	—	1,328,725
R. Bruce Singletary	—	932,114
Kenneth A. Posner	53,506	701,305
Kenneth J. Kavanagh	—	546,031

- <sup>(3)</sup> The amounts in the table are the estimated value of continued welfare benefits for 36 months (18 months, in the case of Mr. Kavanagh). All such benefits are “double-trigger.”

## **Dissenters’ Rights in the Merger**

### *General*

If the merger agreement is adopted by Capital Bank Financial Class A common stockholders, Capital Bank Financial common stockholders who do not vote in favor of the Capital Bank Financial merger proposal and who properly demand appraisal of their shares will be entitled to exercise appraisal rights in connection with the merger under Section 262 of the DGCL.

The following discussion is not a complete statement of the law pertaining to appraisal rights under the DGCL and is qualified in its entirety by the full text of Section 262 of the DGCL, which is attached to this joint proxy statement/prospectus as Annex F. The following summary does not constitute any legal or other advice nor does it constitute a recommendation that Capital Bank Financial common stockholders exercise appraisal rights under Section 262 of the DGCL. Only a holder of record of shares of Capital Bank Financial common stock is entitled to demand appraisal of the shares registered in that holder’s name. A person having a beneficial interest in shares of Capital Bank Financial common stock held of record in the name of another person, such as a broker, bank, or other nominee, must act promptly to cause the record holder to follow the steps summarized below properly and in a timely manner to perfect appraisal rights. If you hold shares of Capital Bank Financial common stock through a broker, bank, or other nominee and you wish to exercise appraisal rights, you should consult with your broker, bank, or the other nominee.

Under Section 262 of the DGCL, Capital Bank Financial common stockholders who (1) do not vote in favor of the Capital Bank Financial merger proposal, (2) are the record holders of such shares on the date on which they make a demand for appraisal and continue to hold such shares through the effective time of the merger, and (3) otherwise follow exactly the procedures set forth in Section 262 of the DGCL, will be entitled to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of the “fair value” of such shares, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with

interest to be paid upon the amount determined to be fair value, if any, as determined by the Delaware Court of Chancery.

Under Section 262 of the DGCL, where a merger agreement is to be submitted for adoption at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, must notify each of its stockholders entitled to appraisal rights that appraisal rights are available and include in the notice a copy of Section 262 of the DGCL. This joint proxy statement/prospectus constitutes Capital Bank Financial's notice to its stockholders that appraisal rights are available in connection with the merger, and the full text of Section 262 of the DGCL is attached to this joint proxy statement/prospectus as Annex F. In connection with the merger, any holder of shares of Capital Bank Financial common stock who wishes to exercise appraisal rights, or who wishes to preserve such holder's right to do so, should review Annex F carefully.

Failure to strictly comply with the requirements of Section 262 of the DGCL in a timely and proper manner will result in the loss of your appraisal rights under the DGCL. A stockholder who loses his, her, or its appraisal rights will be entitled to receive the merger consideration described in the merger agreement. Because of the complexity of the procedures for exercising appraisal rights, Capital Bank Financial believes that if a stockholder considers exercising such rights with respect to shares of Capital Bank Financial common stock, such stockholder should seek the advice of legal counsel.

Each Capital Bank Financial common stockholder wishing to exercise the right to seek an appraisal of shares of Capital Bank Financial common stock must do ALL of the following:

- The stockholder must not vote in favor of the Capital Bank Financial merger proposal. Because a proxy that is signed and submitted but does not otherwise contain voting instructions will, unless revoked, be voted in favor of the adoption of the merger agreement, a stockholder who votes by proxy and who wishes to exercise appraisal rights must vote against the Capital Bank Financial merger proposal, abstain, or not vote its shares.
- The stockholder must deliver to Capital Bank Financial a written demand for appraisal before the vote on the Capital Bank Financial merger proposal at the Capital Bank Financial special meeting.
- The stockholder must continuously hold the shares from the date of making the demand through the effective time of the merger. A stockholder will lose appraisal rights if the stockholder transfers the shares before the effective time of the merger.
- The stockholder or the surviving entity must file a petition in the Delaware Court of Chancery requesting a determination of the fair value of the shares within 120 days after the effective time of the merger. If no party files such a petition for appraisal within 120 days after the effective time of the merger, then the stockholder will lose his, her or its right to an appraisal of its shares of Capital Bank Financial common stock. The surviving entity is under no obligation to file any petition and has no intention of doing so.

#### *Filing Written Demand*

Any Capital Bank Financial common stockholder wishing to exercise appraisal rights must deliver to Capital Bank Financial, before the vote on the Capital Bank Financial merger proposal, a written demand for the appraisal of the stockholder's shares, and that stockholder must not submit a blank proxy or vote in favor of the Capital Bank Financial merger proposal. A Capital Bank Financial common stockholder wishing to exercise appraisal rights must hold of record the shares on the date the written demand for appraisal is made and must continue to hold the shares of record through the effective time of the merger. A proxy that is submitted and does not contain voting instructions will, unless revoked, be voted in favor of the Capital Bank Financial merger proposal, and accordingly will constitute a waiver of the stockholder's right of appraisal and nullify any previously delivered written demand for appraisal. Therefore, a stockholder who submits a proxy and who wishes to exercise appraisal rights must submit a proxy containing instructions to vote against the Capital Bank Financial merger proposal or abstain from voting on the Capital Bank Financial merger proposal. However, neither voting against the Capital Bank Financial merger proposal nor abstaining from voting on the Capital Bank Financial merger proposal will constitute a

written demand for appraisal satisfying the requirements of Section 262 of the DGCL. The written demand for appraisal must be in addition to and separate from any proxy or vote on the Capital Bank Financial merger proposal. A stockholder's failure to make the written demand prior to the taking of the vote on the Capital Bank Financial merger proposal at the Capital Bank Financial special meeting will constitute a waiver of appraisal rights.

Only a holder of record of shares of Capital Bank Financial common stock is entitled to demand appraisal of the shares registered in that holder's name. A demand for appraisal in respect of shares of Capital Bank Financial common stock should be executed by or on behalf of the holder of record, and must reasonably inform Capital Bank Financial of the identity of the holder and state that the holder intends thereby to demand appraisal of the holder's shares in connection with the merger. If the shares are owned of record in a fiduciary capacity, such as by a trustee, guardian, or custodian, such demand must be executed by or on behalf of the record owner, and if the shares are owned of record by more than one person, as in a joint tenancy and tenancy in common, the demand should be executed by or on behalf of all joint owners. An authorized agent, including an authorized agent for two or more joint owners, may execute a demand for appraisal on behalf of a holder of record; however, the agent must identify the record owner or owners and expressly disclose that, in executing the demand, the agent is acting as agent for the record owner or owners.

A Capital Bank Financial common stockholder who holds shares in brokerage or bank accounts or other nominee forms, and who wishes to exercise appraisal rights, should consult with their brokers, banks, and nominees, as applicable, to determine the appropriate procedures for the broker, bank, or other nominee holder to make a demand for appraisal of those shares on behalf of the stockholder. Each such stockholder is responsible for ensuring that the demand for appraisal is made by the record holder. A person having a beneficial interest in shares held of record in the name of another person, such as a bank, broker, or other nominee, must act promptly to cause the record holder to follow properly and in a timely manner the steps necessary to perfect appraisal rights. Shares held through brokerage firms, banks, and other financial institutions are frequently deposited with and held of record in the name of a nominee of a central security depository, such as Cede & Co., The Depository Trust Company's nominee. Accordingly, any beneficial holder of shares desiring to exercise appraisal rights with respect to such shares that are held through a brokerage firm, bank, or other financial institution should instruct such firm, bank, or other financial institution that the demand for appraisal must be made by the record holder of the shares, which might be the name of a central security depository if the shares have been so deposited.

A record owner, such as a bank, brokerage firm, or other nominee, who holds shares of Capital Bank Financial common stock as a nominee for others, may exercise his, her, or its right of appraisal with respect to the shares of Capital Bank Financial common stock held for one or more beneficial owners, while not exercising this right for other beneficial owners. In that case, the written demand should state the number of shares of Capital Bank Financial common stock as to which appraisal is sought. Where no number of shares of Capital Bank Financial common stock is expressly mentioned, the demand will be presumed to cover all shares of Capital Bank Financial common stock held in the name of the record owner.

All written demands for appraisal pursuant to Section 262 of the DGCL should be mailed or delivered to:

**Capital Bank Financial Corp.  
4725 Piedmont Row Drive, Suite 110  
Charlotte, North Carolina 28210  
Attention: Corporate Secretary**

Any Capital Bank Financial common stockholder who has not commenced an appraisal proceeding or joined an appraisal proceeding as a named party may withdraw his, her, or its demand for appraisal and accept the merger consideration by delivering to the surviving entity a written withdrawal of the demand for appraisal within 60 days after the effective time of the merger. However, any such attempt to withdraw the demand made more than 60 days after the effective time of the merger will require written approval of the surviving entity. No appraisal proceeding in the Delaware Court of Chancery will be dismissed without the approval of the Delaware Court of

Chancery, and such approval may be conditioned upon such terms as the Delaware Court of Chancery deems just; however, such dismissal will not affect the right of any stockholder who has not commenced an appraisal proceeding, or joined that proceeding as a named party, to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger within 60 days after the effective time of the merger.

#### *Notice by the Surviving Entity*

If the merger is completed, within 10 days after the effective time of the merger, the surviving entity will notify each Capital Bank Financial common stockholder who has made a written demand for appraisal pursuant to Section 262 of the DGCL, and who has not voted in favor of the Capital Bank Financial merger proposal, that the merger has become effective and the effective date thereof.

#### *Filing a Petition for Appraisal*

Within 120 days after the effective time of the merger, but not thereafter, the surviving entity or any Capital Bank Financial common stockholder who has complied with Section 262 of the DGCL and has perfected his, her, or its right to exercise appraisal rights under Section 262 of the DGCL may commence an appraisal proceeding by filing a petition in the Delaware Court of Chancery, with a copy served on the surviving entity in the case of a petition filed by a stockholder, demanding a determination of the fair value of the shares held by all stockholders entitled to appraisal. The surviving entity is under no obligation, and has no present intention, to file a petition, and holders should not assume that the surviving entity will file a petition or initiate any negotiations with respect to the fair value of shares of Capital Bank Financial common stock. Accordingly, any Capital Bank Financial common stockholders who desire to have their shares appraised should initiate all necessary action to perfect their appraisal rights in respect of their shares of Capital Bank Financial common stock within the time and in the manner prescribed by Section 262 of the DGCL. The failure of a Capital Bank Financial common stockholder to file such a petition within the period specified in Section 262 of the DGCL could nullify the stockholder's previous written demand for appraisal.

Within 120 days after the effective time of the merger, any holder of shares of Capital Bank Financial common stock who has complied with the requirements for exercise of appraisal rights will be entitled, upon written request, to receive from the surviving entity a statement setting forth the aggregate number of shares not voted in favor of the proposal to adopt the merger agreement and with respect to which Capital Bank Financial has received demands for appraisal, and the aggregate number of holders of such shares. The surviving entity must mail this statement to the requesting stockholder within 10 days after receipt of the written request for such a statement or within 10 days after the expiration of the period for delivery of demands for appraisal, whichever is later. A beneficial owner of shares held either in a voting trust or by a nominee on behalf of such person may, in such person's own name, file a petition seeking appraisal or request from the surviving entity the foregoing statements. As noted above, however, the demand for appraisal can only be made by a stockholder of record.

If a petition for an appraisal is duly filed by a Capital Bank Financial common stockholder and a copy thereof is served upon the surviving entity, the surviving entity will then be obligated within 20 days after such service to file in the office of the Register in Chancery in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached. After notice to the stockholders as required by the Delaware Court of Chancery, the court is empowered to conduct a hearing on the petition to determine those stockholders who have complied with Section 262 of the DGCL and who have become entitled to appraisal rights thereunder. The Delaware Court of Chancery may require the stockholders who demanded appraisal of their shares to submit their stock certificates to the Delaware Register in Chancery for notation thereon of the pendency of the appraisal proceedings, and if any stockholder fails to comply with the direction, the Delaware Court of Chancery may dismiss such stockholder from the proceedings.

If immediately before the merger the shares of the Capital Bank Financial Class A common stock continue to be listed on the NASDAQ, the Delaware Court of Chancery will dismiss the proceedings as to all holders of such shares who are otherwise entitled to appraisal rights unless (1) the total number of shares entitled to appraisal exceeds 1% of the outstanding shares of Capital Bank Financial Class A common stock or (2) the value of the consideration provided in the merger for such total number of shares exceeds \$1 million.

If no petition for an appraisal is filed, or if a Capital Bank Financial common stockholder delivers to the surviving entity a written withdrawal of the demand for an appraisal and an acceptance of the merger, either within 60 days after the effective time of the merger or thereafter with the written approval of the surviving entity, then the right of such stockholder to an appraisal will cease. Once a petition for appraisal is filed with the Delaware Court of Chancery, however, the appraisal proceeding may not be dismissed as to any Capital Bank Financial common stockholder who commenced the proceeding or joined that proceeding as a named party without the approval of the court.

#### *Determination of Fair Value*

After determining the Capital Bank Financial common stockholders entitled to appraisal, the Delaware Court of Chancery will appraise the “fair value” of the shares of Capital Bank Financial common stock, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with interest, if any, to be paid upon the amount determined to be the fair value. In determining fair value, the Delaware Court of Chancery will take into account all relevant factors. Unless the court in its discretion determines otherwise for good cause shown, and except as otherwise provided in Section 262, interest from the effective time of the merger through the date of payment of the judgment will be compounded quarterly and will accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective time of the merger and the date of payment of the judgment. At any time before the entry of judgment in the proceedings, the surviving entity may pay to each Capital Bank Financial common stockholder entitled to appraisal an amount in cash (which will be treated as an advance against the payment due to such Capital Bank Financial common stockholder), in which case interest shall accrue after such payment only upon the sum of (1) the difference, if any, between the amount so paid and the fair value of the shares as determined by the Delaware Court of Chancery, and (2) interest theretofore accrued, unless paid at that time. Capital Bank Financial and First Horizon reserve the right to make such a voluntary cash payment.

In *Weinberger v. UOP, Inc.*, the Delaware Supreme Court discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that “proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court” should be considered, and that “[f]air price obviously requires consideration of all relevant factors involving the value of a company.” The Delaware Supreme Court stated that, in making this determination of fair value, the court must consider market value, asset value, dividends, earnings prospects, the nature of the enterprise, and any other facts that could be ascertained as of the date of the merger that throw any light on future prospects of the merged corporation. Section 262 of the DGCL provides that fair value is to be “exclusive of any element of value arising from the accomplishment or expectation of the merger.” In *Cede & Co. v. Technicolor, Inc.*, the Delaware Supreme Court stated that such exclusion is a “narrow exclusion [that] does not encompass known elements of value,” but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In *Weinberger*, the Delaware Supreme Court also stated that “elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered.”

Capital Bank Financial common stockholders considering seeking appraisal should be aware that the fair value of their shares as so determined by the Delaware Court of Chancery could be more than, the same as, or less than the consideration they would receive pursuant to the merger if they did not seek appraisal of their shares and that an opinion of an investment banking firm as to the fairness from a financial point of view of the consideration payable in a merger is not an opinion as

to, and does not in any manner address, fair value under Section 262 of the DGCL. Although Capital Bank Financial believes that the merger consideration is fair, no representation is made as to the outcome of the appraisal of fair value as determined by the Delaware Court of Chancery, and stockholders should recognize that such an appraisal could result in a determination of a value higher or lower than, or the same as, the merger consideration. Neither Capital Bank Financial nor First Horizon anticipate offering more than the merger consideration to any stockholder of Capital Bank Financial exercising appraisal rights, and each of Capital Bank Financial and First Horizon reserves the right to assert, in any appraisal proceeding, that for purposes of Section 262 of the DGCL, the “fair value” of a share of Capital Bank Financial common stock is less than the merger consideration.

The costs of the appraisal proceedings may be determined by the Delaware Court of Chancery and taxed upon the parties as the Delaware Court of Chancery deems equitable under the circumstances. Upon application of a stockholder, the Delaware Court of Chancery may also order that all or a portion of the expenses incurred by a stockholder in connection with an appraisal proceeding, including reasonable attorneys’ fees and the fees and expenses of experts, be charged pro-rata against the value of all the shares entitled to be appraised.

If any Capital Bank Financial common stockholder who demands appraisal of shares of Capital Bank Financial common stock under Section 262 of the DGCL fails to perfect, or loses or successfully withdraws, such holder’s right to appraisal, the stockholder’s shares of Capital Bank Financial common stock will be deemed to have been converted at the effective time of the merger into the right to receive the merger consideration applicable to the shares, less applicable withholding taxes. A stockholder will fail to perfect, or effectively lose or withdraw, the holder’s right to appraisal if no petition for appraisal is filed within 120 days after the effective time of the merger or if the stockholder delivers to the surviving entity a written withdrawal of the holder’s demand for appraisal and an acceptance of the merger consideration in accordance with Section 262 of the DGCL.

From and after the effective time of the merger, no stockholder who has demanded appraisal rights will be entitled to vote such shares of Capital Bank Financial common stock for any purpose, or to receive payment of dividends or other distributions on the stock, except dividends or other distributions on the holder’s shares of Capital Bank Financial common stock, if any, payable to Capital Bank Financial common stockholders of record as of a time prior to the effective time of the merger.

**Failure to comply strictly with all of the procedures set forth in Section 262 of the DGCL will result in the loss of a stockholder’s statutory appraisal rights. Consequently, any Capital Bank Financial common stockholder wishing to exercise appraisal rights is encouraged to consult legal counsel before attempting to exercise those rights.**

To the extent there are any inconsistencies between the foregoing summary and Section 262 of the DGCL, Section 262 of the DGCL will govern.

First Horizon shareholders will not be entitled to appraisal or dissenters’ rights in connection with the merger agreement.

### **Regulatory Approvals Required for the Merger**

Completion of the merger is subject to the receipt of all approvals required to complete the transactions contemplated by the merger agreement from the Federal Reserve and the OCC and any other regulatory approval the failure of which to obtain would reasonably be expected to have a material adverse effect on the surviving corporation (which First Horizon and Capital Bank Financial currently expect to be none), and the expiration of any applicable statutory waiting periods, in each case, without the imposition of a condition or requirement that would reasonably be likely to have a material adverse effect on First Horizon and its subsidiaries, taken as a whole, after giving effect to the merger. We refer to such a condition or requirement as a “materially burdensome condition.” Subject to the terms and conditions of the merger agreement, First Horizon and Capital Bank Financial have agreed to cooperate and use their reasonable best efforts to obtain as promptly as practicable all regulatory approvals necessary or advisable to complete the



transactions contemplated by the merger agreement. First Horizon has filed applications seeking regulatory approval to complete the transactions contemplated by the merger agreement with the Federal Reserve and the OCC.

### *Federal Reserve*

First Horizon is a financial holding company under the Bank Holding Company Act of 1956, as amended (which we refer to as the “BHCA”). The primary regulator of First Horizon is the Federal Reserve and the merger is subject to the approval by the Federal Reserve under Section 3 of the BHCA. In evaluating an application filed under Section 3 of the BHCA, the Federal Reserve considers, with respect to the bank holding companies and the depository institutions concerned: (1) the competitive impact of the transaction, (2) the financial condition and future prospects, including capital positions and managerial resources, (3) the convenience and needs of the communities to be served and the record of the insured depository institution subsidiaries of the bank holding companies under the Community Reinvestment Act of 1977 (which we refer to as “CRA”), (4) the effectiveness of the companies and the depository institutions concerned in combating money laundering activities and (5) the extent to which the proposal would result in greater or more concentrated risks to the stability of the United States banking or financial system. The Federal Reserve will provide an opportunity for public comment on the application and is authorized to hold a public meeting or other proceeding if it determines such meeting or other proceeding would be appropriate.

Under the CRA, the Federal Reserve must take into account the record of performance of the companies and the depository institutions concerned in meeting the credit needs of the entire community, including low and moderate-income neighborhoods, served by such companies and depository institutions. Depository institutions are periodically examined for compliance with the CRA by their primary federal supervisor and are assigned ratings. In evaluating the record of the performance of an institution in meeting the credit needs of the entire community served by the institution, the Federal Reserve considers the institution’s record of compliance with the CRA, including the most recent rating assigned by its primary federal supervisor. As of their last respective CRA examinations, each of Capital Bank Sub and FTBNA was rated “Satisfactory” with respect to CRA compliance.

### *OCC*

The primary regulator of FTBNA is the OCC. The prior approval of the OCC under the Bank Merger Act is required to merge Capital Bank Sub with and into FTBNA. In evaluating an application filed under the Bank Merger Act, the OCC generally considers: (1) the competitive impact of the transaction, (2) the financial and managerial resources of the depository institutions party to the bank merger, (3) the convenience and needs of the community to be served and the record of the depository institutions under the CRA, including their CRA ratings, (4) the depository institutions’ effectiveness in combating money-laundering activities and (5) the extent to which the depository institution merger would result in greater or more concentrated risks to the stability of the U.S. banking or financial system. In connection with its review, the OCC will provide an opportunity for public comment on the application for the bank consolidation, and is authorized to hold a public meeting or other proceeding if it determines that would be appropriate.

### *DOJ*

In addition to the Federal Reserve and the OCC, the Antitrust Division of the Department of Justice (which we refer to as the “DOJ”) conducts a concurrent competitive review of the merger to analyze the merger’s competitive effects and determine whether the merger would result in a violation of the antitrust laws. Transactions approved under section 3 of the BHC Act or the Bank Merger Act generally may not be completed until 30 days after the approval of the applicable federal agency is received, during which time the DOJ may challenge the transaction on antitrust grounds. With the approval of the applicable federal agency and the concurrence of the DOJ, the waiting period may be reduced to no less than 15 days. The commencement of an antitrust action would stay the effectiveness of such an approval unless a court specifically ordered otherwise. In reviewing the merger, the DOJ could analyze the merger’s effect on competition differently than the

Federal Reserve or the OCC, and thus it is possible that the DOJ could reach a different conclusion than the Federal Reserve or the OCC regarding the merger's effects on competition. A determination by the DOJ not to object to the merger may not prevent the filing of antitrust actions by private persons or state attorneys general. There can be no assurance if and when DOJ clearance will be obtained, or as to the conditions or limitations that such DOJ approval may contain or impose.

#### *Additional Regulatory Approvals and Notices*

Notifications and/or applications requesting approval may be submitted to various other federal and state regulatory authorities and self-regulatory organizations, including certain state insurance departments. In particular, filings are also being made with the North Carolina Office of the Commissioner of Banks to provide the agency prior notice of the proposed merger of Capital Bank Sub into FTBNA.

Based on information available to us as of the date hereof, First Horizon and Capital Bank Financial believe that the merger does not raise substantial antitrust or other significant regulatory concerns and that we will be able to obtain all requisite regulatory approvals. However, there can be no assurance that all of the regulatory approvals described above will be obtained and, if obtained, as to the timing of any such approvals, First Horizon's and Capital Bank Financial's ability to obtain the approvals on satisfactory terms, or the absence of any litigation challenging such approvals. In addition, there can be no assurance that such approvals will not impose conditions or requirements that would reasonably be likely to have a material adverse effect on First Horizon and its subsidiaries, taken as a whole, after giving effect to the merger. There can likewise be no assurances that U.S. federal or state regulatory authorities will not attempt to challenge the merger on antitrust grounds or for other reasons, or if such a challenge is made, as to the result of such challenge.

Neither First Horizon nor Capital Bank Financial is aware of any material governmental approvals or actions that are required for completion of the merger other than those described above. It is presently contemplated that if any such additional governmental approvals or actions are required, those approvals or actions will be sought. However, there can be no assurance that any additional approvals or actions will be obtained.

The processing time for obtaining regulatory approvals for bank mergers, particularly for larger institutions, has increased since the financial crisis. In a recent approval order, the Federal Reserve has stated that if material weaknesses are identified by examiners before a banking organization applies to engage in expansionary activity, the Federal Reserve will not allow the application to remain pending while the banking organization addresses its weaknesses. The Federal Reserve explained that if issues arise during processing of an application, a banking organization will be required to withdraw its application pending resolution of any supervisory concerns. Accordingly, if there is an adverse development in either party's regulatory standing, First Horizon may be required to withdraw the application for approval of the proposed mergers and, if possible, resubmit it after the applicable supervisory concerns have been resolved.

In addition, Capital Bank Financial has agreed to use its reasonable best efforts to cause Capital Bank Sub to prepare and file any applications, notices and filings required by Capital Bank Financial's or Capital Bank Sub's federal or state regulatory agencies to permit Capital Bank Sub to make the pre-closing Capital Bank Sub distribution described under "The Merger Agreement—Covenants and Agreements—Capital Bank Sub Pre-Closing Dividend." The receipt of such any such regulatory approvals will not be a condition to the consummation of the merger or delay the merger.

#### **Litigation Relating to the Merger**

On July 14, 2017, a complaint captioned *Garfield v. First Horizon National Corporation, et al.*, No. CH-17-1022, was filed on behalf of a putative class of First Horizon shareholders against First Horizon, its directors, and Capital Bank Financial in the Court of Chancery of Shelby County, Tennessee (30th Judicial District), in connection with the merger. The complaint alleges, among other things, that the First Horizon director defendants breached their fiduciary duties by approving the merger, that Capital Bank Financial aided and abetted such breaches, and that First Horizon, its

directors and Capital Bank Financial failed to disclose material information in connection with the merger. The complaint seeks, among other things, an order enjoining the merger, as well as other equitable relief and/or money damages, interest, costs, fees (including attorneys' fees) and expenses.

In addition, Capital Bank Financial and the individual members of the Capital Bank Financial board of directors have been named as defendants in three substantially similar putative derivative and class action lawsuits filed by alleged shareholders of Capital Bank Financial. These actions are captioned: (1) *Bushansky v. Capital Bank Financial Corp., et al.*, No. 3:17-cv-00422 (W.D. North Carolina filed July 17, 2017); (2) *Parshall v. Capital Bank Financial Corp., et al.*, No. 3:17-cv-00428 (W.D. North Carolina filed July 19, 2017); and (3) *Catherine McNamara v. Capital Bank Financial Corp., et al.*, No. 3:17-cv-00439 (W.D. North Carolina filed July 25, 2017). The *Parshall* complaint also names First Horizon and Merger Sub as defendants. The three complaints allege that the registration statement on Form S-4 filed on June 29, 2017 omits and/or misrepresents material information which renders it false and misleading. Specifically, the complaints allege that the registration statement omits material information regarding (i) the financial projections of Capital Bank Financial, First Horizon, and the pro forma combined company; (ii) material information regarding the engagement of UBS Securities LLC; (iii) Sandler O'Neill's and UBS Securities LLC's respective holdings in Capital Bank Financial, First Horizon and Merger Sub; and (iv) certain provisions of non-disclosure agreements between Capital Bank Financial and prospective bidders, which included First Horizon. The complaints further allege that Sander O'Neill's valuation analyses and fairness opinion were misleading. The complaints seek, among other things, an order enjoining the merger, as well as other equitable relief and/or money damages, interest, costs, fees (including attorneys' fees) and expenses.

The outcome of the pending and any additional future litigation is uncertain. If any case is not resolved, the lawsuit(s) could prevent or delay completion of the merger and result in substantial costs to First Horizon and Capital Bank Financial, including any costs associated with the indemnification of directors and officers. One of the conditions to the closing of the merger is that no order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the merger or the bank merger shall be in effect. As such, if plaintiffs are successful in obtaining an injunction prohibiting the completion of the merger or the bank merger on the agreed-upon terms, then such injunction may prevent the merger from being completed, or from being completed within the expected timeframe. The defense or settlement of any lawsuit or claim that remains unresolved at the time the merger is completed may adversely affect First Horizon's business, financial condition, results of operations and cash flows.

## THE MERGER AGREEMENT

*The following describes certain aspects of the merger, including certain material provisions of the merger agreement. The following description of the merger agreement is subject to, and qualified in its entirety by reference to, the merger agreement, which is attached to this joint proxy statement/prospectus as Annex A and is incorporated by reference into this joint proxy statement/prospectus. This summary does not purport to be complete and may not contain all of the information about the merger agreement that is important to you. We urge you to read the merger agreement carefully and in its entirety, as it is the legal document governing the merger.*

### Explanatory Note Regarding the Merger Agreement

The merger agreement and this summary of terms are included to provide you with information regarding the terms of the merger agreement. Factual disclosures about First Horizon and Capital Bank Financial contained in this joint proxy statement/prospectus or in the public reports of First Horizon and Capital Bank Financial filed with the SEC may supplement, update or modify the factual disclosures about First Horizon and Capital Bank Financial contained in the merger agreement. The merger agreement contains representations and warranties by First Horizon, on the one hand, and by Capital Bank Financial, on the other hand. The representations, warranties and covenants made in the merger agreement by First Horizon and Capital Bank Financial were qualified and subject to important limitations agreed to by First Horizon and Capital Bank Financial in connection with negotiating the terms of the merger agreement. In particular, in your review of the representations and warranties contained in the merger agreement and described in this summary, it is important to bear in mind that the representations and warranties were negotiated with the principal purpose of establishing circumstances in which a party to the merger agreement may have the right not to consummate the merger if the representations and warranties of the other party prove to be untrue due to a change in circumstance or otherwise, and allocating risk between the parties to the merger agreement, rather than establishing matters as facts. The representations and warranties also may be subject to a contractual standard of materiality different from that generally applicable to shareholders and reports and documents filed with the SEC and some were qualified by the matters contained in the confidential disclosure schedules that First Horizon and Capital Bank Financial each delivered in connection with the merger agreement and certain documents filed with the SEC. Moreover, information concerning the subject matter of the representations and warranties, which do not purport to be accurate as of the date of this joint proxy statement/prospectus, may have changed since the date of the merger agreement.

For the foregoing reasons, the representations and warranties or any descriptions of those provisions should not be read alone or relied upon as characterizations of the actual state of facts or condition of First Horizon or Capital Bank Financial or any of their respective subsidiaries or affiliates. Instead, such provisions or descriptions should be read only in conjunction with the other information provided elsewhere in this document or incorporated by reference into this joint proxy statement/prospectus. See “Where You Can Find More Information.”

### Structure of the Mergers

Each of First Horizon’s and Capital Bank Financial’s respective boards of directors has approved the merger agreement. The merger agreement provides for the merger of Merger Sub with and into Capital Bank Financial, with Capital Bank Financial remaining as the surviving entity and becoming a wholly-owned subsidiary of First Horizon. Such surviving entity will, as soon as reasonably practicable following the merger and as part of a single integrated transaction, merge with and into First Horizon in a second step merger, with First Horizon as the surviving corporation. Immediately following the completion of the second step merger or at such later time as First Horizon may determine in its sole discretion, Capital Bank Sub will merge with and into FTBNA, with FTBNA continuing as the surviving bank.

First Horizon may change the method of effecting the mergers if and to the extent requested by First Horizon. However, no such change may (i) alter or change the amount or kind of the merger consideration, (ii) adversely affect the tax treatment of the mergers with respect to Capital Bank

Financial common stockholders or (iii) be reasonably likely to cause the closing of the transaction to be materially delayed or the receipt of the requisite regulatory approvals to be prevented or materially delayed.

The merger agreement further provides that if either Capital Bank Financial fails to obtain the required vote of its stockholders to adopt the merger agreement, or First Horizon fails to obtain the required vote of its shareholders to approve the issuance of shares of First Horizon common stock, each of the parties will in good faith use its reasonable best efforts to negotiate a restructuring of the transaction (provided that neither party will have any obligation to alter or change any material term of the merger agreement, including the amount or kind of the merger consideration, in a manner adverse to such party or its stockholders/shareholders or adversely affect the tax treatment of the mergers with respect to Capital Bank Financial common stockholders) and/or resubmit the merger agreement or the transactions contemplated thereby (or as restructured) to its stockholders/shareholders for approval or adoption.

## **Merger Consideration**

Each share of Capital Bank Financial common stock issued and outstanding immediately prior to the effective time (except for shares of Capital Bank Financial common stock that are held by stockholders who are entitled to and properly exercise appraisal rights in accordance with Section 262 of the DGCL, which we refer to as “dissenting shares” and shares of Capital Bank Financial common stock held by Capital Bank Financial or First Horizon, with certain limited exceptions) will be converted into the right to receive, at the election of the holders of such shares of Capital Bank Financial common stock, either the per share cash consideration or the per share stock consideration, subject to procedures applicable to oversubscription and undersubscription for cash consideration.

As described in more detail below, the aggregate amount of cash consideration will be fixed. Accordingly, depending on the elections made by other Capital Bank Financial common stockholders, a Capital Bank Financial common stockholder might receive a portion of the merger consideration in the form such holder did not elect.

When making an election, Capital Bank Financial common stockholders may specify different elections with respect to different shares of Capital Bank Financial common stock held by them (for example, a Capital Bank Financial common stockholder with 100 shares of Capital Bank Financial common stock could make a cash election with respect to 50 shares and a stock election with respect to the other 50 shares).

### *Cash Consideration*

The merger agreement provides that each share of Capital Bank Financial common stock for which a valid cash election has been made will be converted into the right to receive, subject to proration and adjustment as described below, an amount in cash equal to the sum of (A) \$7.90 plus (B) the product of 1.75 multiplied by the average of the closing sale prices of First Horizon common stock on the NYSE for the 10 trading days immediately preceding the completion of the merger. The aggregate amount of the cash consideration is fixed at \$410,535,300.

### *Stock Consideration*

The merger agreement provides that each share of Capital Bank Financial common stock for which a valid stock election has been made will be converted into the right to receive, subject to proration and adjustment as described below, the number of shares of First Horizon common stock equal to the quotient of (A) the per share cash consideration divided by (B) the average of the closing sale prices of First Horizon common stock on the NYSE for the 10 trading days immediately preceding the completion of the merger.

If prior to the effective time the outstanding shares of Capital Bank Financial common stock or First Horizon common stock is increased, decreased, changed into, or exchanged for a different number or kind of shares or securities as a result of a reorganization, recapitalization,

reclassification, stock dividend, stock split, reverse stock split, or other similar change in capitalization, or there is any extraordinary dividend or distribution, an appropriate and proportionate adjustment will be made to the merger consideration to provide Capital Bank Financial common stockholders the same economic effect as contemplated by the merger agreement.

#### *Non-Election Shares*

The merger agreement provides that each share of Capital Bank Financial common stock other than shares for which a valid election of either cash consideration or stock consideration has been effectively made and not pursuant to the election provisions described below will be treated as a “non-election share” and will be converted to the right to receive such stock consideration or cash consideration as determined in accordance with the proration and allocation provisions described below.

#### *Proration and Allocation of Merger Consideration*

The cash conversion number will be determined by dividing the cash component (i.e., \$410,535,300) by the per share cash consideration. All other shares of Capital Bank Financial common stock (excluding certain shares owned by First Horizon, Capital Bank Financial or their subsidiaries cancelled as provided in the merger agreement and restricted stock awards) will be converted into the right to receive the stock consideration.

Within five business days after the effective time, First Horizon will cause the exchange agent to effect the allocation among Capital Bank Financial common stockholders of rights to receive the cash consideration and the stock consideration as described below.

*If Cash Consideration is Oversubscribed:* Shares of First Horizon common stock may be issued to Capital Bank Financial common stockholders who make cash elections if the aggregate number of shares of Capital Bank Financial common stock with respect to which cash elections have been made, including for this purpose dissenting shares (which we refer to as the “cash election number”) exceeds the cash conversion number. If the cash consideration is oversubscribed, then

- a Capital Bank Financial common stockholder who made a stock election, no election or an invalid election will receive the stock consideration for each share of Capital Bank Financial common stock as to which such holder made a stock election, no election or an invalid election;
- a Capital Bank Financial common stockholder who made a cash election will receive:
  - the cash consideration for a number of shares of Capital Bank Financial common stock equal to the product obtained by multiplying (1) the number of shares of Capital Bank Financial common stock for which such holder has made a cash election by (2) a fraction, the numerator of which is the cash conversion number and the denominator of which is the number of cash election shares; and
  - the stock consideration for the remaining shares of Capital Bank Financial common stock for which the Capital Bank Financial common stockholder made a cash election.

*If Cash Consideration is Undersubscribed:* Cash may be issued to Capital Bank Financial common stockholders who make stock elections if the number of cash election shares is less than the cash conversion number (the amount by which the number of cash election shares is less than the cash conversion number is referred to as the “shortfall number”).

If the cash conversion number is undersubscribed, then all Capital Bank Financial common stockholders who make a cash election will receive the cash consideration for all shares of Capital Bank Financial common stock as to which they made a cash election. Capital Bank Financial common stockholders who make a stock election, no election or an invalid election will receive cash and/or Capital Bank Financial common stock based in part on whether the shortfall number is less or greater than the number of non-election shares, as follows:

*Scenario 1:* If the shortfall number is less than or equal to the number of non-election shares, then:

- a Capital Bank Financial common stockholder who made a stock election will receive the stock consideration for each share of Capital Bank Financial common stock as to which such holder made a stock election; and
- a Capital Bank Financial common stockholder who made no election or who did not make a valid election with respect to any of such holder's shares of Capital Bank Financial common stock will receive:
  - the cash consideration with respect to such holder's non-election shares equal to the product obtained by multiplying (1) the number of such non-election shares by (2) a fraction, the numerator of which is the shortfall number and the denominator of which is the total number of non-election shares; and
  - the stock consideration for the remaining number of such holder's non-election shares.

*Scenario 2:* If the shortfall number exceeds the number of non-election shares, then:

- a Capital Bank Financial common stockholder who made no election or who has not made a valid election will receive the cash consideration for each share of Capital Bank Financial common stock for which he or she made no election or did not make a valid election; and
- a Capital Bank Financial common stockholder who made a stock election will receive:
  - the cash consideration with respect to the number of shares of Capital Bank Financial common stock equal to the product obtained by multiplying (1) the number of shares of Capital Bank Financial common stock with respect to which such holder made a stock election by (2) a fraction, (x) the numerator of which is equal to the amount by which the shortfall number exceeds the number of non-election shares and (y) the denominator of which is equal to the total number for which Capital Bank Financial common stockholders made a stock election; and
  - the stock consideration with respect to the remaining shares of Capital Bank Financial common stock as to which such holder made a stock election.

## **Exchange of Shares; Elections as to Form of Consideration**

The conversion of Capital Bank Financial common stock into the right to receive the merger consideration will occur automatically at the effective time. From and after the effective time and the completion of the allocation procedures described above, upon proper surrender of shares of Capital Bank Financial common stock and delivery of a duly executed form of election or letter of transmittal, the exchange agent will exchange shares of Capital Bank Financial common stock for the applicable merger consideration, cash in lieu of fractional shares as well as any dividends or distributions to be paid pursuant to the merger agreement, in each case, without interest. Until surrendered in accordance with the provisions of the merger agreement, each share of Capital Bank Financial common stock shall be deemed at any time after the effective time to represent only the right to receive, upon surrender, the applicable merger consideration and any cash in lieu of fractional shares or in respect of such dividends or distributions.

### *Form of Election*

The merger agreement provides that Capital Bank Financial common stockholders will be provided with a form of election and other customary transmittal materials. The form of election will allow each holder of Capital Bank Financial common stock to specify (i) the number of shares of Capital Bank Financial common stock owned by such holder with respect to which such holder desires to receive the cash consideration and (ii) the number of shares of Capital Bank Financial Common Stock owned by such holder with respect to which such holder desires to receive the stock consideration.

First Horizon will initially make available and mail the form of election at least 20 business days prior to the anticipated election deadline to holders of record as of the business day prior to such mailing date. Following the mailing date, First Horizon will use all reasonable efforts to make available as promptly as possible a form of election to any stockholder who requests a form of

election prior to the election deadline. The election deadline will be 5:00 p.m. local time (in the city in which the principal office of the exchange agent is located) on the date which First Horizon and Capital Bank Financial agree is as near as practicable to two business days before the closing date of the transaction. Capital Bank Financial and First Horizon will cooperate to issue a press release reasonably satisfactory to each of them announcing the election deadline not more than 15 days before, and at least five business days prior to, the election deadline.

To make a valid election, a Capital Bank Financial common stockholder must submit to the exchange agent a properly completed and signed form of election (including duly executed transmittal materials included in the form of election). The form of election must also be accompanied by any certificates representing all certificated shares of Capital Bank Financial common stock to which such form of election relates (or by an appropriate customary guarantee of delivery of such certificates, as set forth in such form of election, from a member of any registered national securities exchange or a commercial bank or trust company in the United States).

A Capital Bank Financial common stockholder may, at any time prior to the election deadline, change or revoke an election by written notice to the exchange agent received by the exchange agent prior to the election deadline accompanied by a properly completed and signed revised form of election, or by withdrawing his or her shares of Capital Bank Financial common stock previously deposited with the exchange agent. If any election is not properly made with respect to any shares of Capital Bank Financial common stock, such election will be deemed to be not in effect, and the shares of Capital Bank Financial common stock covered by such election will be deemed to be non-election shares, unless a proper election is subsequently timely made.

#### *Letter of Transmittal*

As promptly as practicable after the effective time, but in no event later than 10 days thereafter, the exchange agent will mail or otherwise deliver to each holder of record of shares of Capital Bank Financial common stock that have been converted to the right to receive the merger consideration who did not previously surrender its shares of Capital Bank Financial common stock with a form of election, a letter of transmittal and instructions on how to surrender such shares of Capital Bank Financial common stock in exchange for the applicable merger consideration the holder is entitled to receive as well as any dividends or other distributions to be paid to such holder as described below.

If a certificate for Capital Bank Financial common stock has been lost, stolen, or destroyed, the exchange agent will issue the applicable merger consideration upon receipt of (1) an affidavit of that fact by the claimant and (2) if required by First Horizon, the posting of a bond in an amount as First Horizon may determine is reasonably necessary as indemnity against any claim that may be made against it with respect to such certificate.

After completion of the merger, there will be no further transfers on the stock transfer books of Capital Bank Financial of shares of Capital Bank Financial common stock that were issued and outstanding immediately prior to the effective time.

#### *Fractional Shares*

First Horizon will not issue any fractional shares of First Horizon common stock in the merger. Instead, a Capital Bank Financial common stockholder who otherwise would have received a fraction of a share of First Horizon common stock will receive an amount in cash (rounded to the nearest cent) determined by multiplying (i) First Horizon share closing price by (ii) the fraction of a share (rounded to the nearest thousandth when expressed in decimal form) of First Horizon common stock that such holder would otherwise have been entitled to receive.

#### *Withholding*

First Horizon will be entitled to deduct and withhold, or cause the exchange agent to deduct and withhold, from any cash portion of the merger consideration, cash in lieu of fractional shares, cash dividends or distributions payable, or any other cash amounts payable under the merger



agreement to any Capital Bank Financial common stockholder or holder of Capital Bank Financial equity awards the amounts it is required to deduct and withhold under the Code or any provision of state, local, or foreign tax law. If any such amounts are withheld and paid over to the appropriate governmental authority, such amounts will be treated for all purposes of the merger agreement as having been paid to the holder from whom they were withheld.

#### *Dividends and Other Distributions*

No dividends or other distributions declared with respect to First Horizon common stock will be paid to the holder of any unsundered shares of Capital Bank Financial common stock until the holder surrenders such shares in accordance with the merger agreement. After the surrender of a share of Capital Bank Financial common stock in accordance with the merger agreement, the record holder thereof will be entitled to receive any such dividends or other distributions, without any interest, which had previously become payable with respect to the stock consideration that such share has been converted into the right to receive under the merger agreement.

#### **Treatment of Capital Bank Financial Compensatory Equity Awards**

##### *Capital Bank Financial Stock Options*

At the effective time, each outstanding option to purchase shares of Capital Bank Financial common stock will fully vest (to the extent unvested) and be assumed by First Horizon and converted into an option to purchase a number of shares of First Horizon common stock (rounded down to the nearest whole share) equal to the number of shares of Capital Bank Financial common stock underlying the Capital Bank Financial stock option multiplied by the exchange ratio, with an exercise price per share (rounded up to the nearest whole cent) equal to the exercise price per share of the Capital Bank Financial stock option divided by the exchange ratio. Except as described in the immediately preceding sentence, each such First Horizon stock option will continue to have the same terms and conditions as applied to the corresponding Capital Bank Financial stock option immediately prior to the effective time.

##### *Capital Bank Financial Restricted Stock Awards*

At the effective time, each outstanding share of restricted stock of Capital Bank Financial will fully vest and be cancelled and converted into the right to receive an amount in cash equal to the per share cash consideration, less applicable tax withholdings.

#### **Closing and Effective Time**

The merger will be completed only if all conditions to the merger discussed in this joint proxy statement/prospectus and set forth in the merger agreement are either satisfied or waived. See “—Conditions to Complete the Merger.”

The merger will become effective when the certificate of merger is filed with the Secretary of State of the State of Delaware, or at such later date or time as First Horizon and Capital Bank Financial agree and as set forth in the certificate of merger. The closing of the merger will occur at 10:00 a.m., New York City time on the third business day after the satisfaction or waiver of the last to occur of the conditions set forth in the merger agreement (other than those conditions that by their nature are to be satisfied at the closing), unless another time or date is agreed to by the parties. It currently is anticipated that the completion of the merger will occur in the fourth quarter of 2017 subject to the receipt of regulatory approvals and other closing conditions provided in the merger agreement, but neither Capital Bank Financial nor First Horizon can guarantee when or if the merger will be completed.

#### **Closing and Effective Time of the Second Step Merger**

On the date of the completion of the merger and as soon as practicable following the effective time, First Horizon will cause Capital Bank Financial, as the surviving entity in the merger, to be

merged with and into First Horizon, with First Horizon surviving the second step merger. To effect the second step merger, First Horizon will cause to be filed articles of merger with the Tennessee Secretary of State in accordance with the Tennessee Business Corporation Act (which we refer to as the “TBCA”) and a certificate of merger with the Delaware Secretary of State in accordance with the DGCL. The second step merger will become effective as of the date and time set forth in the articles of merger to be filed with the Tennessee Secretary of State.

### **Governing Documents; Directors and Officers; Governance Matters**

Merger Sub’s certificate of incorporation and bylaws in effect immediately prior to the effective time of the merger will be the certificate of incorporation and bylaws of Capital Bank Financial, the surviving entity, after completion of the merger. First Horizon’s charter and bylaws in effect immediately prior to the effective time of the second step merger will be the charter and bylaws of First Horizon, the surviving entity, after completion of the second step merger.

First Horizon will take all appropriate action so that, as of the effective time, the number of directors constituting the First Horizon board of directors will be increased by two. One of the two vacancies will be filled by Mr. R. Eugene Taylor (the current Chairman and Chief Executive Officer of Capital Bank Financial) and the other will be filled by Mr. Peter N. Foss, a member of the Capital Bank Financial board of directors.

### **Representations and Warranties**

The merger agreement contains customary representations and warranties of each of Capital Bank Financial and First Horizon relating to their respective businesses, including representations and warranties relating to the following:

- corporate matters, including due organization, qualification and corporate power of itself;
- capitalization;
- authority to execute and deliver the merger agreement and the absence of conflicts with, or violations of, organizational documents, laws or other obligations as a result of the consummation of the transaction pursuant to the merger agreement;
- required governmental and other regulatory filings and other consents and approvals in connection with the consummation of the transaction pursuant to the merger agreement;
- reports to regulatory authorities and filings with the SEC;
- financial statements, internal controls, books and records, accounting practices and absence of undisclosed liabilities;
- broker’s fees payable in connection with the merger;
- the absence of certain changes or events since December 31, 2016;
- legal proceedings;
- tax matters;
- compliance with applicable laws;
- disclosure and no violation of certain material contracts;
- absence of certain agreements with regulatory authorities;
- information security matters;
- investment securities;
- related party transactions;
- absence of action or any fact or circumstance that could reasonably be expected to prevent the mergers, taken together, from qualifying as a “reorganization” within the meaning of Section 368(a) of the Code;
- opinions from financial advisors;

- the accuracy of information supplied for inclusion in this joint proxy statement/prospectus and other similar documents; and
- loan portfolio matters.

First Horizon also represents and warrants to Capital Bank Financial that it has, or will have available to it prior to the closing date, all funds necessary to satisfy its obligations under the merger agreement.

In addition, certain representations and warranties relating to a number of matters are made only by Capital Bank Financial, including:

- due organization, qualification and corporate power of its subsidiaries;
- derivative contracts and allowance for loan losses;
- employee and employee benefit plan matters;
- environmental matters;
- real property;
- intellectual property;
- inapplicability of state takeover statutes;
- absence of any investment adviser subsidiaries; and
- insurance matters.

Certain representations and warranties of Capital Bank Financial and First Horizon are qualified as to knowledge, “materiality” or “material adverse effect.”

For purposes of the merger agreement, a “material adverse effect,” when used in reference to First Horizon or Capital Bank Financial (including in its capacity as the surviving entity in the merger), means a material adverse effect on (i) the business, properties, assets, liabilities, results of operations or financial condition of such party and its subsidiaries taken as a whole (provided, that, with respect to this clause (i), material adverse effect will not be deemed to include the impact of (A) changes, after the date of the merger agreement, in GAAP or applicable regulatory accounting requirements, (B) changes, after the date of the merger agreement, in laws, rules, or regulations of general applicability to companies in the industries in which such party and its subsidiaries operate, or interpretations thereof by courts or governmental entities, (C) changes, after the date of the merger agreement, in global, national, or regional political conditions (including the outbreak of war or acts of terrorism) or in economic or market (including equity, credit and debt markets, as well as changes to interest rates) conditions affecting the financial services industry generally and not specifically relating to such party or its subsidiaries, (D) failure, in and of itself, to meet earnings projections or internal financial forecasts, but not including the underlying causes thereof, (E) disclosure or consummation of the transactions contemplated by the merger agreement (including any effect on a party’s relationship with its customers or employees) or actions expressly required by the merger agreement in contemplation of the transactions contemplated thereby, (F) actions or omissions taken pursuant to the written consent of First Horizon, in the case of Capital Bank Financial, or Capital Bank Financial, in the case of First Horizon; except, with respect to subclauses (A), (B), or (C), to the extent that the effects of such change are disproportionately adverse to the business, properties, assets, liabilities, results of operations, or financial condition of such party and its subsidiaries, taken as a whole, as compared to other companies in the industry in which such party and its subsidiaries operate) or (ii) the ability of such party to timely consummate the transactions contemplated thereby.

The representations and warranties in the merger agreement do not survive the effective time.

## **Covenants and Agreements**

### *Conduct of Business Prior to the Completion of the Merger*

Capital Bank Financial has agreed that, prior to the effective time (or earlier termination of the merger agreement), subject to specified exceptions, it will, and will cause each of its subsidiaries to

(i) conduct its business in the ordinary course in all material respects, (ii) use reasonable best efforts to maintain and preserve intact its business organization and advantageous business relationships and (iii) operate, in all material respects, in accordance with the policies and procedures applicable to it. In addition, each of Capital Bank Financial and First Horizon has agreed that, during the same period, subject to specified exceptions, it will, and will cause each of its subsidiaries to, take no action that would reasonably be likely to adversely affect or delay the ability of either of Capital Bank Financial or First Horizon to obtain any necessary approvals of any governmental entity or regulatory agency required for the transactions contemplated by the merger agreement, or to perform its covenants and agreements under the merger agreement, or to consummate the transactions contemplated thereby on a timely basis.

Additionally, Capital Bank Financial and First Horizon have undertaken further covenants. Prior to the effective time (or earlier termination of the merger agreement), subject to specified exceptions, Capital Bank Financial may not, and may not permit any of its subsidiaries to, without prior written consent of First Horizon (such consent not to be unreasonably withheld, conditioned or delayed), undertake the following:

- other than in the ordinary course of business, incur any indebtedness for borrowed money (other than indebtedness of Capital Bank Financial or any of its wholly-owned subsidiaries to Capital Bank Financial or any of its subsidiaries), assume, guarantee, endorse, or otherwise as an accommodation become responsible for the obligations of any other person (other than a subsidiary of Capital Bank Financial);
- adjust, split, combine, or reclassify any capital stock;
- make, declare, or pay any dividend, or make any other distribution on, or directly or indirectly redeem, purchase, or otherwise acquire, any shares of its capital stock or any securities or obligations convertible (whether currently convertible or convertible only after the passage of time or the occurrence of certain events) into, or exchangeable for, any shares of its capital stock (except (A) regular quarterly cash dividends by Capital Bank Financial at a rate not in excess of \$0.12 per share of Capital Bank Financial common stock (except that if First Horizon increases the rate of its regular quarterly dividends on First Horizon common stock paid by it during any fiscal quarter after the date of the merger agreement relative to that paid by it during the fiscal quarter immediately preceding the date of the merger agreement, Capital Bank Financial will be permitted to increase the rate of dividends on Capital Bank Financial common stock paid by it during the same fiscal quarter by the same proportion, or if not possible in the same quarter, in the next fiscal quarter with an appropriate “catch-up” adjustment to account for the amounts that would have been paid in the prior quarter), (B) quarterly dividends payable on Capital Bank Financial preferred stock, (C) dividends paid by any of the subsidiaries of Capital Bank Financial to Capital Bank Financial or any of its wholly-owned subsidiaries, or (D) the acceptance of shares of Capital Bank Financial common stock as payment for the exercise price of Capital Bank Financial stock options or for withholding taxes incurred in connection with the exercise of Capital Bank Financial stock options or the vesting or settlement of Capital Bank Financial equity awards and dividend equivalents thereon, if any, in each case, in accordance with past practice and the terms of the applicable award agreements;
- grant any stock options, stock appreciation rights, performance shares, restricted stock units, shares of restricted stock, or other equity-based awards or interests, or grant any individual, corporation, or other entity any right to acquire any shares of its capital stock;
- issue, sell, or otherwise permit to become outstanding any additional shares of capital stock or securities convertible or exchangeable into, or exercisable for, any shares of its capital stock or any options, warrants, or other rights of any kind to acquire any shares of capital stock, except for the issuance of shares (x) upon the exercise of Capital Bank Financial stock options or the vesting or settlement of Capital Bank Financial equity awards (and dividend equivalents thereon, if any) outstanding as of the date of the merger agreement or granted on or after such date to the extent permitted under the merger agreement or (y) upon

conversion of shares of Capital Bank Financial Class B common stock outstanding as of the date of the merger agreement;

- sell, transfer, mortgage, encumber, or otherwise dispose of any of its material properties or assets to any individual, corporation, or other entity other than a wholly-owned subsidiary, or cancel, release, or assign any material indebtedness to any such person or any claims held by any person, in each case other than in the ordinary course of business;
- except for transactions in the ordinary course of business (including by way of foreclosure or acquisitions of control in a fiduciary or similar capacity or in satisfaction of debts previously contracted in good faith), make any material investment either by purchase of stock or securities, contributions to capital, property transfers, or purchase of any property or assets of any other individual, corporation, or other entity, other than in a wholly-owned subsidiary of Capital Bank Financial;
- terminate, materially amend, or waive any material provision of certain material Capital Bank Financial contracts, or make any material change in any instrument or agreement governing the terms of any of its securities, other than normal renewals in the ordinary course of business, or enter into any contract that would constitute a material contract if it were in effect on the date of the merger agreement;
- except as required under applicable law or the terms of any Capital Bank Financial benefit plan existing on May 3, 2017, (i) enter into, adopt or terminate any Capital Bank Financial benefit plan, (ii) amend any Capital Bank Financial benefit plan, other than amendments in the ordinary course of business that do not materially increase the cost or expense of maintaining such plan, program policy or arrangement, (iii) increase the compensation payable to any current or former employee, officer, director or individual independent contractor, except for annual base salary or wage merit increases for officers and employees in the ordinary course of business that do not exceed 3% of the aggregate cost of all officer and employee annual base salaries and wages in effect as of May 3, 2017, (iv) pay or award, or commit to pay or award, any bonuses or incentive compensation, (v) accelerate the vesting of any equity-based awards or other compensation, (vi) enter into any collective bargaining agreement or similar agreement or arrangement, (vii) fund any rabbi trust or similar arrangement, (viii) terminate the employment or services of any officer or employee whose annual base salary is greater than \$100,000, other than for cause, or (ix) hire any officer or employee whose annual base salary or base wage is greater than \$100,000;
- settle any material claim, suit, action, or proceeding (1) in an amount and for consideration in excess of \$1 million individually or \$2 million in the aggregate or (2) in a manner that would impose any material restriction on the business of it or any of its subsidiaries or of First Horizon of any of First Horizon's subsidiaries;
- take any action or knowingly fail to take any action where such action or failure to act could reasonably be expected to prevent the mergers, taken together, from qualifying as a "reorganization" within the meaning of Section 368(a) of the Code;
- amend the Capital Bank Financial organizational documents or comparable governing documents of its significant subsidiaries (as defined in Rule 1-02 of Regulation S-X promulgated under the Exchange Act);
- merge or consolidate itself or any of its significant subsidiaries with any other person, or restructure, reorganize, or completely or partially liquidate or dissolve it or any of its significant subsidiaries;
- materially restructure or materially change its investment securities or derivatives portfolio or its interest rate exposure, through purchases, sales, or otherwise, or the manner in which the portfolio is classified or reported, except as may be required by GAAP or by applicable laws, regulations, guidelines or policies imposed or requested by any governmental entity;
- implement or adopt any change in its accounting principles, practices, or methods, other than as may be required by GAAP or by applicable laws, regulations, guidelines or policies imposed by any governmental entity;

- enter into any material new line of business or change in any material respect its policies, procedures or practices with respect to its lending, investment, underwriting, collateral eligibility, risk and asset liability management, interest rate, fee pricing, hedging, securitization, servicing or other banking and operating policies, procedures and practices (including any change in the maximum ratio or similar limits as a percentage of its capital exposure applicable with respect to its loan portfolio or any segment thereof), except as required by such policies or applicable law, regulation or policies imposed by any governmental entity;
- make any loans or extensions of credit outside of the ordinary course of business or inconsistent with, or in excess of the limitations contained in, Capital Bank Financial's loan policy; provided, that any consent from First Horizon for purposes of this clause will not be unreasonably withheld and will be given within two business days after the relevant loan package is provided to First Horizon; provided, further, that, if First Horizon does not respond to any such request for consent within two business days, such non-response will be deemed to constitute consent for purposes of this clause;
- make, or commit to make, any capital expenditures in excess of \$1 million in the aggregate, other than as disclosed to First Horizon prior to the execution of the merger agreement;
- other than in the ordinary course of business, make, change, or revoke any material tax election, change an annual tax accounting period, adopt or change any material tax accounting method, file any amended tax return, enter into any closing agreement with respect to taxes, or settle any material tax claim, audit, assessment, or dispute, or surrender any right to claim a refund of a material amount of taxes;
- make application for the opening or relocation of, or open or relocate, any branch office, loan production office or other significant office or operations facility of it or its subsidiaries;
- subject to certain exceptions, make an application for the closing of or close any branch;
- purchase any new real property (other than other real estate owned (OREO) properties in the ordinary course of business) in an amount in excess of \$1 million for any individual property, or enter into, amend or renew any material lease with respect to real property requiring aggregate payments under any individual lease in excess of \$1 million;
- knowingly take any action that is intended to or would reasonably be likely to adversely affect or materially delay the ability of Capital Bank Financial or its subsidiaries to obtain any necessary approvals of any governmental entity required for the transactions contemplated by the merger agreement or the approval of the Capital Bank Financial merger agreement proposal or to perform its covenants and agreements under the merger agreement or to consummate the transactions contemplated thereby; or
- agree to take, make any commitment to take, or adopt any resolutions of its board of directors or similar governing body in support of, any of the actions prohibited by the merger agreement.

Prior to the effective time (or earlier termination of the merger agreement), subject to specified exceptions, First Horizon may not, and First Horizon may not permit any of its subsidiaries to, without prior written consent of Capital Bank Financial (such consent not to be unreasonably withheld, conditioned or delayed), undertake the following:

- amend its organizational documents in a manner that would materially and adversely affect Capital Bank Financial common stockholders or adversely affect Capital Bank Financial common stockholders relative to other holders of First Horizon common stock;
- adjust, split, combine, or reclassify any capital stock of First Horizon;
- make, declare, or pay any extraordinary dividend on any capital stock of First Horizon;
- incur any indebtedness for borrowed money (other than indebtedness of First Horizon or any of its wholly-owned subsidiaries to First Horizon or any of its subsidiaries) that would reasonably be expected to prevent First Horizon or its subsidiaries from assuming Capital Bank Financial's or its subsidiaries' outstanding indebtedness;

- sell, transfer, mortgage, encumber or otherwise dispose of any of its material properties or assets to any individual, corporation or other entity other than a wholly-owned subsidiary, in each case other than in the ordinary course of business or in a transaction that, together with such other transactions, is not reasonably likely to cause the closing to be materially delayed or the receipt of the requisite regulatory approvals to be prevented or materially delayed;
- make any material investment either by purchase of stock or securities, contributions to capital, property transfers, or purchase of any property or assets of any other individual, corporation or other entity, other than in a wholly-owned subsidiary of First Horizon, except for transactions in the ordinary course of business or in a transaction that, together with such other transactions, is not reasonably likely to cause the closing to be materially delayed or the receipt of the requisite regulatory approvals to be prevented or materially delayed;
- merge or consolidate itself or any of its significant subsidiaries (as defined in the merger agreement) with any other person where it or its significant subsidiary, as applicable, is not the surviving person, or if the merger or consolidation is reasonably likely to cause the closing to be materially delayed or the receipt of the requisite regulatory approvals to be prevented or materially delayed, or restructure, reorganize or completely or partially liquidate or dissolve it or any of its significant subsidiaries;
- take any action or knowingly fail to take any action where such action or failure to act could reasonably be expected to prevent the mergers, taken together, from qualifying as a “reorganization” within the meaning of Section 368(a) of the Code;
- knowingly take any action that is intended to or would reasonably be likely to adversely affect or materially delay the ability of First Horizon or its subsidiaries to obtain any necessary approvals of any governmental entity required for the transactions contemplated by the merger agreement or the approval of the First Horizon stock issuance proposal or to perform its covenants and agreements under the merger agreement or to consummate the transactions contemplated thereby; or
- agree to take, make any commitment to take, or adopt any resolutions of its board of directors or similar governing body in support of, any of the actions prohibited by the merger agreement.

### *Regulatory Matters*

First Horizon and Capital Bank Financial have agreed to cooperate and use their reasonable best efforts to promptly prepare and file all necessary documentation, to effect all applications, notices, petitions, and filings, to obtain as promptly as practicable all permits, consents, approvals, and authorizations of all third parties and governmental entities that are necessary or advisable to consummate the transactions contemplated by the merger agreement and to comply with the terms and conditions of all such permits, consents, approvals, and authorizations of all such third parties and governmental entities. First Horizon and Capital Bank Financial have each agreed to use, and to cause their respective applicable subsidiaries to use, reasonable best efforts to obtain each requisite regulatory approval and any approvals required for the bank merger as promptly as reasonably practicable, and to cooperate with each other in connection therewith. Neither First Horizon nor any of its subsidiaries will be required to take, or agree to take, any actions specified in the merger agreement or to agree to any conditions in respect of any approvals required thereunder that would constitute a materially burdensome condition.

Each of First Horizon and Capital Bank Financial will, and will cause its subsidiaries to, use their reasonable best efforts, in each case as promptly as practicable, (a) to take, or cause to be taken, all actions necessary, proper or advisable to comply promptly with all legal requirements that may be imposed on such party or its subsidiaries with respect to the merger and the bank merger and, subject to the conditions set forth in the merger agreement, to consummate the transactions contemplated by the merger agreement, and (b) to obtain (and to cooperate with the other party to obtain) any material consent, authorization, order or approval of, or any exemption by, any governmental entity and any other third party that is required to be obtained by First Horizon or

Capital Bank Financial or any of their respective subsidiaries in connection with the merger, the bank merger and the other transactions contemplated by the merger agreement.

First Horizon and Capital Bank Financial have also agreed to furnish each other with all information reasonably necessary or advisable in connection with any statement, filing, notice or application to any governmental entity in connection with the transactions contemplated by the merger agreement, as well as to promptly keep each other apprised of the status of matters related to the completion of the transactions contemplated by the merger agreement.

#### *Employee Benefit Matters*

During the period commencing at the effective time and ending on the first anniversary thereof (which we refer to as the “continuation period”), First Horizon has agreed to provide each Capital Bank Financial continuing employee, for so long as they are employed following the effective time, with (i) an annual base salary or wages and target annual cash incentive opportunities, as applicable, that are, in each case, no less than those provided by Capital Bank Financial to the continuing employee immediately prior to the effective time and (ii) employee benefits that are substantially comparable in the aggregate to those provided to similarly situated employees of First Horizon and its subsidiaries (excluding any severance benefits, frozen benefit plans of First Horizon and its subsidiaries or benefit plans that exclusively provide benefits to grandfathered employees of First Horizon and its subsidiaries). First Horizon has also agreed to, or will cause the surviving corporation or one of its subsidiaries to, provide to each continuing employee whose employment terminates during the continuation period with severance benefits disclosed to First Horizon prior to the execution of the merger agreement, determined by taking into account such continuing employees’ service with Capital Bank Financial and its subsidiaries (and their predecessor entities) prior to the consummation of the merger and with First Horizon and its subsidiaries after the consummation of the merger and without taking into account any reduction after the consummation of the merger in the compensation paid to such continuing employee.

Following the effective time, subject to certain customary exclusions, First Horizon and its subsidiaries will use commercially reasonable efforts to waive pre-existing conditions, exclusions, and waiting periods with respect to participation and coverage requirements under employee benefit plans of First Horizon or its subsidiaries in which Capital Bank Financial continuing employees are eligible to participate after the effective time (which we refer to as “new plans”) except to the extent such pre-existing condition, exclusions and waiting periods would apply under an analogous Capital Bank Financial benefit plan. First Horizon also agreed that it and its subsidiaries will use commercially reasonable efforts to provide credit for any co-payments or coinsurance and deductibles paid prior to the effective time under a Capital Bank Financial benefit plan that provides health care benefits, to the same extent that such credit was given under the analogous Capital Bank Financial benefit plan, and recognize all service of continuing employees with Capital Bank Financial and its subsidiaries for all purposes in any new plan to the same extent that such service was taken into account under the analogous Capital Bank Financial benefit plan. However, service recognition will not apply (A) to the extent it would result in duplication of benefits for the same period of service, (B) for purposes of benefit accrual under any defined benefit pension plan, or (C) for purposes of any benefit plan that is a frozen plan or provides grandfathered benefits.

First Horizon may request that Capital Bank Financial terminate any 401(k) plan effective the day immediately prior to the effective time, in which case, Capital Bank Financial continuing employees will be eligible to participate in and make rollover contributions to the First Horizon 401(k) plan.

#### *Director and Officer Indemnification and Insurance*

The merger agreement provides that following completion of the merger, First Horizon and the surviving corporation will indemnify and hold harmless, to the fullest extent permitted by applicable law, each present and former director, officer, and employee of Capital Bank Financial and its subsidiaries or fiduciaries of Capital Bank Financial or its subsidiaries under any Capital Bank Financial benefit plan (in their capacity as such) against any costs or liabilities incurred in



connection with any threatened or actual claim, action, suit, proceeding or investigation, whether arising before or after the effective time, arising in whole or in part out of the fact that such person is or was a director, officer, employee or fiduciary of Capital Bank Financial or its subsidiaries or under any Capital Bank Financial benefit plan or matters existing or occurring at or prior to the effective time (including in connection with the merger agreement and the transactions contemplated thereby), and will also advance expenses to such persons to the fullest extent permitted by applicable law, provided that such person provides an undertaking to repay such advances if it is ultimately determined that such person is not entitled to indemnification.

The merger agreement requires First Horizon to maintain, for a period of six years after the effective time, Capital Bank Financial's or its subsidiaries' existing policies of directors' and officers' liability insurance and any similar policies covering fiduciaries under any Capital Bank Financial benefit plan or policies with a substantially comparable insurer of at least the same coverage and amounts and containing terms and conditions that are no less advantageous to the insured, with respect to claims against present and former officers and directors of Capital Bank Financial and its subsidiaries arising from facts or events that occurred at or prior to the effective time. However, First Horizon is not required to spend annually more than 300% of the current annual premium paid as of the date of the merger agreement by Capital Bank Financial for such insurance (which we refer to as the "premium cap"), and if such premiums for such insurance would at any time exceed that amount, then First Horizon will maintain policies of insurance which, in its good faith determination, provide the maximum coverage available at an annual premium equal to the premium cap. In lieu of the foregoing, Capital Bank Financial, in consultation with First Horizon but only upon the consent of First Horizon, may (and, at First Horizon's request, will use its reasonable best efforts to) obtain at or prior to the effective time a six-year "tail" policy under Capital Bank Financial's existing directors' and officers' insurance policy and similar policy covering fiduciaries under the Capital Bank Financial benefit plans providing equivalent coverage to that described in the preceding sentence if and to the extent such a policy can be obtained for an amount that, in the aggregate, does not exceed the premium cap. If such a "tail policy" is purchased, First Horizon must maintain the policy in full force and effect and not cancel such policy.

#### *Dividends*

First Horizon and Capital Bank Financial must coordinate with each other for the declaration of any dividends in respect of First Horizon common stock and Capital Bank Financial common stock and the record dates and payment dates relating thereto to ensure that Capital Bank Financial common stockholders do not fail to receive a dividend (nor receive two dividends) in any one quarter. Starting with the third quarter of 2017, (i) the Capital Bank Financial board of directors will cause its regular quarterly dividend record dates and payment dates for Capital Bank Financial common stock to be similar to the regular quarterly dividend record dates and payment dates for First Horizon common stock, and (ii) the First Horizon board of directors will continue to pay dividends on First Horizon common stock on substantially the same record and payment date schedules as have been utilized in the past.

#### *Capital Bank Financial Special Meeting and Recommendation of the Capital Bank Financial Board of Directors*

Capital Bank Financial has agreed to hold a special meeting of its Class A common stockholders for the purpose of voting upon adoption of the merger agreement as soon as reasonably practicable and upon the declaration of effectiveness of the registration statement of which this joint proxy statement/prospectus is a part. Except in the case of an adverse recommendation change (as defined below), each of Capital Bank Financial and the Capital Bank Financial board of directors has agreed to use its reasonable best efforts to obtain from the Capital Bank Financial Class A common stockholders the vote required to adopt the merger agreement, including by communicating to the stockholders its recommendation (and including such recommendation in this joint proxy statement/prospectus) that they adopt and approve the plan of merger set forth in the merger agreement and the transactions contemplated thereby. Capital Bank

Financial must engage a proxy solicitor reasonably acceptable to First Horizon to assist in the solicitation of proxies from stockholders relating to such vote.

The Capital Bank Financial board of directors (and each committee thereof) has agreed not to (1) withhold, withdraw, qualify or modify (or publicly propose, resolve or declare its intent to withhold, withdraw, qualify or modify) its recommendation to its stockholders; (2) recommend or declare advisable an acquisition proposal other than the merger; or (3) fail to include its recommendations in this joint proxy statement/prospectus (any action described in sub-clauses (1)-(3) above, an “adverse recommendation change”). However, if at any time after the date of the merger agreement and prior to the approval of the Capital Bank Financial merger proposal, Capital Bank Financial receives an acquisition proposal that did not result from a material breach of the other terms of the merger agreement, and Capital Bank Financial, after receiving the advice of its outside counsel and, with respect to financial matters, its financial advisors, determines in good faith that failure to effect an adverse recommendation change in connection with an acquisition proposal would more likely than not result in a violation of its fiduciary duties under applicable law, then it may submit the merger agreement to its stockholders, and the Capital Bank Financial board of directors may make an adverse recommendation change (although the resolutions approving the merger agreement may not be rescinded or amended) and may communicate the basis for its adverse recommendation change to its stockholders in this joint proxy statement/prospectus or a supplement or amendment thereto, provided that (1) it gives First Horizon at least three business days’ prior written notice of its intention to take such action and a reasonable description of the event or circumstances giving rise to its determination to take such action (including, in the event such action is taken by the Capital Bank Financial board of directors in response to an acquisition proposal, the latest material terms and conditions, and the identity of the third-party making any such acquisition proposal, or any amendment or modification thereof, or describe in reasonable detail such other event or circumstances); and (2) at the end of such notice period, the Capital Bank Financial board of directors takes into account any amendment or modification to the merger agreement proposed by First Horizon and after receiving the advice of its outside counsel and, with respect to financial matters, its financial advisors, determines in good faith that it would more likely than not result in a violation of its fiduciary duties under applicable law to continue to recommend the merger agreement. Any material amendment to any acquisition proposal will require a new notice period.

Capital Bank Financial must adjourn or postpone its meeting of Class A common stockholders up to two times if there are insufficient shares of Capital Bank Financial common stock represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of such meeting, or if on the date of such meeting, Capital Bank Financial has not received proxies representing a sufficient number of shares necessary for the stockholder approval of the Capital Bank Financial merger proposal.

#### *First Horizon Special Meeting and Recommendation of the First Horizon Board of Directors*

First Horizon has agreed to hold a meeting of its shareholders for the purpose of voting upon the issuance of First Horizon common stock in connection with the merger, as soon as reasonably practicable. The First Horizon board of directors has agreed to use its reasonable best efforts to obtain from its shareholders the vote required to approve the First Horizon stock issuance proposal, including by communicating to its shareholders its recommendation (and including such recommendation in this joint proxy statement/prospectus). First Horizon must engage a proxy solicitor reasonably acceptable to Capital Bank Financial to assist in the solicitation of proxies from shareholders relating to such required vote.

First Horizon must postpone or adjourn its shareholder meeting up to two times if there are insufficient shares of First Horizon common stock represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of such meeting, or if on the date of such meeting, First Horizon has not received proxies representing a sufficient number of shares necessary for the shareholder approval of the First Horizon stock issuance proposal.

### *Agreement Not to Solicit Other Offers*

Under the terms of the merger agreement, Capital Bank Financial will not, and will cause its subsidiaries and its and their officers, directors, agents, advisors, and representatives not to, directly or indirectly, (i) initiate, solicit, knowingly encourage, or knowingly facilitate inquiries or proposals with respect to any acquisition proposal, (ii) engage or participate in any negotiations with any person concerning any acquisition proposal, or (iii) provide any confidential or nonpublic information or data to, or have or participate in any discussions with, any person relating to, any acquisition proposal. For purposes of the merger agreement, an “acquisition proposal” means, other than the transactions contemplated by the merger agreement, any offer or proposal relating to, or any third-party indication of interest in, (i) any acquisition or purchase, direct or indirect, of 25% or more of the consolidated assets of Capital Bank Financial and its subsidiaries, or 25% or more of any class of equity or voting securities of Capital Bank Financial or its subsidiaries whose assets, either individually or in the aggregate, constitute more than 25% of the consolidated assets of Capital Bank Financial, (ii) any tender offer or exchange offer that, if consummated, would result in such third-party beneficially owning more than 25% of any class of equity or voting securities of Capital Bank Financial or its subsidiaries whose assets, either individually or in the aggregate, constitute more than 25% of the consolidated assets of Capital Bank Financial, or (iii) a merger, consolidation, share exchange or other business combination or reorganization involving Capital Bank Financial or its subsidiaries whose assets, either individually or in the aggregate, constitute more than 25% of the consolidated assets of Capital Bank Financial, except in each case, for any sale of whole loans and securitizations in the ordinary course of business and any *bona fide* internal reorganization.

However, in the event that after the date of the merger agreement and prior to the approval of the Capital Bank Financial merger proposal, Capital Bank Financial receives an unsolicited *bona fide* written acquisition proposal, it may, and may permit its subsidiaries and its and their officers, directors, agents, advisors, and representatives to, furnish or cause to be furnished nonpublic information or data and participate in negotiations or discussions to the extent that its board of directors concludes in good faith (after receiving the advice of its outside counsel, and with respect to financial matters, its financial advisors) that failure to take such actions would more likely than not result in a violation of its fiduciary duties under applicable law, provided that, prior to providing any such nonpublic information, Capital Bank Financial provides such information to First Horizon and enters into a confidentiality agreement with such third-party on terms no less favorable to it than the confidentiality agreement between First Horizon and Capital Bank Financial, and which confidentiality agreement does not provide such person with any exclusive right to negotiate with Capital Bank Financial.

Capital Bank Financial agreed to, and to cause its and its subsidiaries’ officers, directors, agents, advisors, and representatives to, immediately cease and cause to be terminated any activities, discussions, or negotiations conducted before the date of the merger agreement with any person other than First Horizon with respect to any acquisition proposal. Capital Bank Financial will promptly (within one business day) advise First Horizon following receipt of any acquisition proposal or any inquiry which could reasonably be expected to lead to an acquisition proposal, and the substance thereof (including the material terms and conditions of and the identity of the person making such acquisition proposal), and will keep First Horizon promptly (and in any event within one business day) advised of any related substantive developments, discussions, and negotiations on a current basis, including any amendments to or revisions of the terms of such inquiry or acquisition proposal. In addition, Capital Bank Financial has agreed to (1) withdraw and terminate access that was granted to any person (other than the parties to the merger agreement and their respective affiliates and representatives) to any “data room” (virtual or physical) that was established in connection with a transaction involving Capital Bank Financial and (2) use its reasonable best efforts, subject to applicable law and the fiduciary duties of the Capital Bank Financial board of directors to enforce any existing confidentiality or (to the extent separate from a confidentiality agreement) standstill agreements to which it or any of its subsidiaries is a party and, in accordance with such other agreements, cause any person (other than a party to the merger agreement, its affiliates and representatives) to return or destroy non-public information regarding Capital Bank

Financial or any of its affiliates in connection with a potential transaction involving Capital Bank Financial. Capital Bank Financial has also agreed that during the term of the merger agreement, it will not and will cause its subsidiaries and its and their officers, directors, agents, advisors, and representatives to not enter into any binding acquisition agreement, merger agreement or other definitive transaction agreement (other than a confidentiality agreement permitted pursuant to the previous paragraph) relating to any acquisition proposal.

#### *Capital Bank Sub Pre-Closing Dividend*

Capital Bank Financial agreed to use its reasonable best efforts to cause Capital Bank Sub to prepare and file any applications, notices and filings required by Capital Bank Financial's or Capital Bank Sub's federal or state regulators to permit Capital Bank Sub to make, immediately prior to the effective time, a distribution of cash to Capital Bank Financial in an amount requested by First Horizon and not more than \$410,535,300. If First Horizon makes such request no later than 20 business days prior to the anticipated completion of the merger, Capital Bank Financial will use its reasonable best efforts to cause Capital Bank Sub to make such a distribution in an amount requested by First Horizon. However, the amount distributed may not exceed the lesser of (x) the amount of cash Capital Bank Sub may, in Capital Bank Financial's reasonable determination, distribute to Capital Bank Financial based on its available cash on hand and (y) the amount, if any, previously approved by Capital Bank Financial's and Capital Bank Sub's federal or state regulators. Such distribution or the receipt of any such regulatory approval will not be a condition to or delay the closing of the merger.

#### *Certain Additional Covenants*

The merger agreement also contains additional covenants, including, among others, covenants relating to the filing of this joint proxy statement/prospectus, obtaining required consents, the listing of the shares of First Horizon common stock to be issued in the merger, coordination with respect to litigation relating to the merger and further actions required to consummate the merger, advice relating to the occurrence of a material change, access to information, exemption from takeover laws, public announcements with respect to the transactions contemplated by the merger agreement, exemption from liability under Section 16(b) of the Exchange Act, the absence of control over the other party's business and First Horizon's or its subsidiaries' assumption of Capital Bank Financial's or its subsidiaries' obligations in respect of its outstanding debt, guarantees, securities, and other agreements to the extent required by the terms of such debt, guarantees, securities, and other agreements.

#### **Conditions to Complete the Merger**

First Horizon's and Capital Bank Financial's respective obligations to effect the merger are subject to the satisfaction or waiver of the following conditions at or prior to the effective time:

- the approval of the Capital Bank Financial merger proposal and the First Horizon stock issuance proposal;
- the authorization for listing on the NYSE, subject to official notice of issuance, of the First Horizon common stock to be issued in connection with the merger;
- the effectiveness of the registration statement of which this joint proxy statement/prospectus is a part and the absence of any stop order (or proceedings for that purpose initiated or threatened and not withdrawn);
- the absence of any order, injunction, or decree by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the completion of the merger or the bank merger, and the absence of any statute, rule, regulation, order, injunction, or decree enacted, entered, promulgated, or enforced by any governmental entity which prohibits or makes illegal consummation of the merger;

- the receipt of all regulatory authorizations, consents, orders or approvals (1) required from the Federal Reserve and the OCC, (2) required under the HSR Act, if any, and (3) otherwise set forth in the merger agreement that are necessary to consummate the transactions contemplated thereby, or those the failure of which to be obtained would reasonably be likely to have, either individually or in the aggregate, a material adverse effect with respect to First Horizon (including in its capacity as the surviving entity in the second step merger), having been obtained and remaining in full force and effect and all statutory waiting periods in respect thereof having expired, and none of the regulatory authorizations, consents, orders or approvals contain or impose any materially burdensome condition;
- the accuracy of the representations and warranties of the other party contained in the merger agreement as of the date on which the merger agreement was entered into and (except to the extent such representations and warranties speak as of an earlier date) as of the date on which the merger is completed, subject to the materiality standards provided in the merger agreement (and the receipt by each party of an officer's certificate from the other party to such effect);
- the performance by the other party in all material respects of all obligations required to be performed by it under the merger agreement at or prior to the date on which the merger is completed (and the receipt by each party of an officer's certificate from the other party to such effect); and
- receipt by such party of an opinion of its outside legal counsel to the effect that on the basis of facts, representations, and assumptions set forth or referred to in such opinion, the mergers, taken together, will qualify as a "reorganization" within the meaning of Section 368(a) of the Code.

Neither Capital Bank Financial nor First Horizon can provide assurance as to when or if all of the conditions to the merger can or will be satisfied or waived by the appropriate party. As of the date of this joint proxy statement/prospectus, neither Capital Bank Financial nor First Horizon has reason to believe that any of these conditions will not be satisfied.

### **Termination of the Merger Agreement**

The merger agreement can be terminated at any time prior to completion of the merger in the following circumstances:

- by mutual written consent of First Horizon and Capital Bank Financial;
- by either First Horizon or Capital Bank Financial, if any governmental entity that must grant a requisite regulatory approval has denied approval of the mergers or the bank merger and such denial has become final and nonappealable, or any governmental entity of competent jurisdiction has issued a final nonappealable order, injunction or decree permanently enjoining or otherwise prohibiting, or making illegal, the consummation of the mergers or the bank merger, unless the failure to obtain a requisite regulatory approval is due to the failure of the party seeking to terminate the merger agreement to perform or observe its covenants and agreements under the merger agreement;
- by either First Horizon or Capital Bank Financial, if the merger has not been completed on or before May 3, 2018, unless the failure of the merger to be consummated by that date is due to the failure of the party seeking to terminate the merger agreement to perform or observe its covenants and agreements under the merger agreement;
- by either First Horizon or Capital Bank Financial (provided that the terminating party is not then in material breach of any representation, warranty, covenant, or other agreement contained in the merger agreement), if there is a breach of any of the covenants or agreements or any of the representations or warranties (or any such representation or warranty ceases to be true) set forth in the merger agreement on the part of the other party which, either individually or in the aggregate, would constitute, if occurring or continuing on the date the merger is completed, the failure of a closing condition for the obligations of the terminating party and which is not cured within the earlier of the termination date and 45

days following written notice to the party committing such breach, or by its nature or timing cannot be cured during such period;

- by First Horizon, if (x) prior to approval of the Capital Bank Financial merger proposal, Capital Bank Financial or the Capital Bank Financial board of directors effects an adverse recommendation change, or materially breaches its obligations to hold a meeting of its stockholders to adopt and approve the merger agreement or not to solicit alternative acquisition proposals; or (y) a tender offer or exchange offer for 20% or more of the outstanding shares of Capital Bank Financial common stock is commenced, and the Capital Bank Financial board of directors recommends that the stockholders of Capital Bank Financial tender their shares in such tender or exchange offer or otherwise fails to recommend that such stockholders reject such tender offer or exchange offer within the 10 business day period specified in Rule 14e-2(a) under the Exchange Act.

### Effect of Termination

If the merger agreement is terminated, it will become void and have no effect, except that (1) each of First Horizon and Capital Bank Financial will remain liable for any liabilities or damages arising out of its own fraud or willful and material breach of any provision of the merger agreement, and (2) designated provisions of the merger agreement will survive the termination, including those relating to payment of the termination fee and expenses and the confidential treatment of information.

### Termination Fee

Capital Bank Financial will pay First Horizon a termination fee if the merger agreement is terminated in the following circumstances:

- In the event that after May 3, 2017 and prior to the termination of the merger agreement, a *bona fide* acquisition proposal has been made known to senior management of Capital Bank Financial or has been made directly to its stockholders generally, or any person will have publicly announced (and not withdrawn) a *bona fide* acquisition proposal with respect to Capital Bank Financial and (A) thereafter the merger agreement is terminated by either First Horizon or Capital Bank Financial because the merger has not been completed prior to the termination date, and Capital Bank Financial has failed to obtain the approval of the Capital Bank Financial merger proposal at the duly convened special meeting of Capital Bank Financial Class A common stockholders or any adjournment or postponement thereof at which a vote on such proposal is taken, or (B) thereafter the merger agreement is terminated by First Horizon based on a breach of the merger agreement by Capital Bank Financial that would constitute the failure of a closing condition and that has not been cured during the permitted time period, or by its nature cannot be cured during such period, and (C) prior to the date that is 12 months after the date of such termination, Capital Bank Financial enters into a definitive agreement or consummates a transaction with respect to an acquisition proposal (whether or not the same acquisition proposal as that referred to above), then Capital Bank Financial will, on the earlier of the date it entered into such definitive agreement or the date of consummation of such transaction, pay First Horizon, by wire transfer of same day funds, a fee equal to \$85 million (the “termination fee”). For purposes of this provision, all references in the definition of acquisition proposal to “25%” will instead refer to “50%”).
- In the event that First Horizon terminates the merger agreement pursuant to the last bullet set forth under “— Termination of the Merger Agreement” above, Capital Bank Financial will, as promptly as reasonably practicable after the date of termination (and in any event, within three business days thereafter), pay First Horizon by wire transfer of same day funds the termination fee.

**Expenses and Fees**

Except as otherwise provided in the merger agreement, whether or not the merger is consummated, all costs and expenses incurred in connection with the merger agreement and the transactions contemplated thereby will be paid by the party incurring or required to incur such expenses.

**Amendment, Waiver, and Extension of the Merger Agreement**

The merger agreement may be amended by the parties, by action taken or authorized by their respective boards of directors, at any time before or after approval of the Capital Bank Financial merger proposal, provided that after approval of the Capital Bank Financial merger proposal, there may not be, without further approval of the Capital Bank Financial Class A common stockholders, any amendment of the merger agreement that requires further approval under applicable law.

At any time prior to the effective time, the parties may to the extent legally allowed (a) extend the time for the performance of any of the obligations or other acts of the other parties, (b) waive any inaccuracies in the representations and warranties contained in the merger agreement or in any document delivered pursuant thereto, or (c) waive compliance with any of the agreements or satisfaction of any conditions contained in the merger agreement, provided that after approval of the Capital Bank Financial merger proposal, there may not be, without further approval of the Capital Bank Financial Class A common stockholders, any extension or waiver of the merger agreement or any portion thereof that requires further approval under applicable law.

Any such amendment, extension or waiver must be in writing.

**Governing Law; Jurisdiction**

The execution, interpretation, and performance of the merger agreement will be governed by the laws of the State of Delaware without giving effect to any conflict of laws provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the law of any other jurisdiction other than the State of Delaware. The parties agreed that any action or proceeding in respect of any claim arising out of or related to the merger agreement or the transactions contemplated thereby will be brought exclusively in any federal or state court of competent jurisdiction located in the State of Delaware.

## SUPPORT AGREEMENTS

*The following summary of the support agreements is not a complete description of the support agreements and is qualified in its entirety by reference to the form of support agreement, which is attached to this joint proxy statement/prospectus as Annex B. We urge you to read the form of support agreement carefully and in its entirety.*

In connection with the execution of the merger agreement, First Horizon entered into letter agreements with (1) Oak Hill Capital Partners III, L.P. and Oak Hill Capital Management Partners III, L.P., (2) Crestview NAFH, LLC and Crestview Advisors, L.L.C. and (3) R. Eugene Taylor (the Chairman and Chief Executive Officer of Capital Bank Financial). Pursuant to the support agreements, each supporting stockholder agreed, subject to certain exceptions, at the Capital Bank Financial special meeting or any other meeting or action of Capital Bank Financial's common stockholders with respect to which they are entitled to vote, to (i) vote all of the shares of Capital Bank Financial Class A common stock beneficially owned by such supporting stockholder (which we refer to as the "owned voting shares") in favor of approval of the merger agreement and the merger, and (ii) not vote the owned voting shares in favor of approval of any alternative acquisition proposal. Each supporting stockholder also agreed not to solicit or engage in negotiations with respect to any alternative acquisition proposal. The supporting stockholders are not required to vote the owned voting shares in favor of approval of certain amendments or modifications to the merger agreement.

As of the record date (1) Mr. Taylor had the right to vote approximately 621,253, or approximately 1.75%, of the outstanding shares of Capital Bank Financial Class A common stock, (2) Crestview Partners had the right to vote approximately 2,583,760, or approximately 7.29%, of the outstanding shares of Capital Bank Financial Class A common stock and (3) Oak Hill Capital Partners had the right to vote approximately 2,482,259, or approximately 7%, of the outstanding shares of Capital Bank Financial Class A common stock.

In addition, each supporting stockholder agreed not to, without the prior written consent of First Horizon, sell, transfer, pledge or otherwise encumber or dispose of the owned voting shares or any shares of Capital Bank Financial Class B common stock beneficially owned by such supporting stockholder (which we refer to, together with the owned voting shares, as the "owned shares"), unless the transferee agrees in writing to comply with the requirements of the applicable support agreement, subject to certain exceptions generally permitting each of the supporting stockholders to sell up to 25% of its owned shares, and permitting Mr. Taylor to sell up to 100% of his owned shares that were obtained through the exercise of stock options, in transfers occurring after the vote on the Capital Bank Financial merger proposal that are exempt from registration and are in compliance with the volume limitations set forth in Rule 144 under the Securities Act.

Each supporting stockholder has also agreed not to commence or participate in any class action relating to the negotiation or execution of the support agreements or the merger agreement, or the consummation of the merger.



## ACCOUNTING TREATMENT

The mergers will be accounted for as a business combination by First Horizon using the acquisition method of accounting. Accordingly, the assets (including identifiable intangible assets) and liabilities (including executory contracts and other commitments) of Capital Bank Financial as of the effective time will generally be recorded at their respective fair values and added to those of First Horizon. Any excess of purchase price over the acquisition accounting values will be recorded as goodwill. Consolidated financial statements of First Horizon issued after the mergers will reflect these acquisition accounting values and will not be restated retroactively to reflect the historical financial position or results of operations of Capital Bank Financial.

## MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGERS

The following general discussion sets forth the anticipated material United States federal income tax consequences of the mergers, taken together, to U.S. holders (as defined below) of Capital Bank Financial common stock that exchange their shares of Capital Bank Financial common stock for the merger consideration. This discussion does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction, or under any United States federal laws other than those pertaining to income tax. This discussion is based upon the Internal Revenue Code of 1986, as amended, the regulations promulgated under the Code and court and administrative rulings and decisions, all as in effect on the date of this joint proxy statement/prospectus. These laws may change, possibly retroactively, and any change could affect the accuracy of the statements and conclusions set forth in this discussion.

This discussion addresses only those Capital Bank Financial common stockholders that hold their shares of Capital Bank Financial common stock as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). Further, this discussion does not address all aspects of United States federal income taxation that may be relevant to you in light of your particular circumstances or that may be applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are:

- a financial institution;
- a tax-exempt organization;
- a pass-through entity (or an investor in a pass-through entity);
- an insurance company;
- a mutual fund;
- a dealer or broker in stocks and securities, or currencies;
- a trader in securities that elects mark-to-market treatment;
- a holder of Capital Bank Financial common stock that received Capital Bank Financial common stock through the exercise of an employee stock option, through a tax qualified retirement plan or otherwise as compensation;
- a person that is not a U.S. holder;
- a person that has a functional currency other than the U.S. dollar; or
- a holder of Capital Bank Financial common stock that holds Capital Bank Financial common stock as part of a hedge, straddle, constructive sale, wash sale, conversion or other integrated transaction.

In addition, the discussion does not address any alternative minimum tax or any state, local or foreign tax consequences of the merger, nor does it address any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010. Determining the actual tax consequences of the mergers to you may be complex. They will depend on your specific situation and on factors that are not within the control of Capital Bank Financial or First Horizon. You should consult with your own tax advisor as to the tax consequences of the mergers in your particular circumstances.

For purposes of this discussion, the term “U.S. holder” means a beneficial owner of Capital Bank Financial common stock that is for United States federal income tax purposes (i) an individual citizen or resident of the United States, (ii) a corporation, or entity treated as a corporation, organized in or under the laws of the United States or any state thereof or the District of Columbia, (iii) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or (b) such trust has made a valid election to be treated as a U.S. person for United States federal income tax purposes or (iv) an estate, the income of which is includible in gross income for United States federal income tax purposes regardless of its source.

The United States federal income tax consequences to a partner in an entity or arrangement that is treated as a partnership for United States federal income tax purposes and that holds Capital

Bank Financial common stock generally will depend on the status of the partner and the activities of the partnership. Partners in a partnership holding Capital Bank Financial common stock should consult their own tax advisors.

### **Tax Consequences of the Mergers Generally**

The parties intend for the mergers, taken together, to qualify as a “reorganization” within the meaning of Section 368(a) of the Code. It is a condition to First Horizon’s obligation to complete the merger that First Horizon receive an opinion from Sullivan & Cromwell LLP, dated the closing date of the merger, to the effect that the mergers, taken together, will qualify as a “reorganization” within the meaning of Section 368(a) of the Code. It is a condition to Capital Bank Financial’s obligation to complete the merger that Capital Bank Financial receive an opinion from Wachtell, Lipton, Rosen & Katz, dated the closing date of the merger, to the effect that the mergers, taken together, will qualify as a “reorganization” within the meaning of Section 368(a) of the Code. These opinions will be based on representation letters provided by First Horizon and Capital Bank Financial and on customary factual assumptions. Neither of the opinions described above will be binding on the Internal Revenue Service. First Horizon and Capital Bank Financial have not sought and will not seek any ruling from the Internal Revenue Service regarding any matters relating to the mergers, and as a result, there can be no assurance that the Internal Revenue Service will not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth below.

Provided the mergers, taken together, qualify as a “reorganization” within the meaning of Section 368(a) of the Code, the U.S. federal income tax consequences of the mergers to U.S. Capital Bank Financial common stockholders are as follows:

- a holder who receives solely cash for shares of Capital Bank Financial common stock will recognize gain or loss equal to the difference between the amount of cash received by a holder of Capital Bank Financial common stock and such holder’s tax basis in such holder’s shares of Capital Bank Financial common stock;
- a holder who receives solely shares of First Horizon common stock (or receives First Horizon common stock and cash solely in lieu of a fractional share) in exchange for shares of Capital Bank Financial common stock will not recognize any gain or loss upon the merger, except with respect to the cash received in lieu of fractional share of First Horizon common stock (as discussed below);
- a holder who receives a combination of First Horizon common stock and cash (other than cash received instead of a fractional share of First Horizon common stock) in exchange for shares of Capital Bank Financial common stock generally will recognize gain (but not loss) in an amount equal to the lesser of (1) the amount by which the sum of the fair market value of the First Horizon common stock and cash received by a holder pursuant to the merger exceeds such holder’s tax basis in its shares of Capital Bank Financial common stock, and (2) the amount of cash received by such holder pursuant to the merger (excluding any cash received in lieu of a fractional share of First Horizon common stock, as discussed below);
- the aggregate tax basis of the First Horizon common stock received in the merger (including fractional share interests in First Horizon common stock deemed received and exchanged for cash) will be equal to the holder’s aggregate tax basis in the Capital Bank Financial common stock for which it is exchanged, decreased by the amount of cash received in the merger, and increased by the amount of gain recognized on the exchange (regardless of whether such gain is classified as capital gain, or as dividend income, as discussed below), but excluding any gain recognized with respect to fractional share interests in First Horizon common stock for which cash is received, as discussed below;
- the holding period of First Horizon common stock received in the merger (including any fractional shares deemed received and redeemed as described below) will include the holder’s holding period of the Capital Bank Financial common stock for which it is exchanged.

If holders acquired different blocks of Capital Bank Financial common stock at different times or different prices, any gain or loss may be determined with reference to each block of Capital Bank

Financial common stock. Any such holders should consult their tax advisors regarding the manner in which cash and First Horizon common stock received in the merger should be allocated among different blocks of Capital Bank Financial common stock and with respect to identifying the bases or holding periods of the particular shares of First Horizon common stock received in the merger.

Gain or loss that Capital Bank Financial common stockholders recognize in connection with the mergers will generally constitute capital gain or loss and will constitute long-term capital gain or loss if such holders have held their Capital Bank Financial common stock for more than one year as of the effective date of the merger. Long-term capital gain of certain non-corporate Capital Bank Financial common stockholders, including individuals, is generally taxed at preferential rates. The deductibility of capital losses is subject to limitations. In some cases, if a holder actually or constructively owns First Horizon common stock other than First Horizon common stock received pursuant to the merger, the recognized gain could be treated as having the effect of a distribution of a dividend under the tests set forth in Section 302 of the Internal Revenue Code, in which case such gain would be treated as dividend income. Because the possibility of dividend treatment depends upon each holder's particular circumstances, including the application of constructive ownership rules, Capital Bank Financial common stockholders should consult their tax advisors regarding the application of the foregoing rules to their particular circumstances.

### **Cash Instead of a Fractional Share**

A holder of Capital Bank Financial common stock who receives cash instead of a fractional share of First Horizon common stock will be treated as having received the fractional share of First Horizon common stock pursuant to the merger and then as having sold that fractional share for cash. As a result, generally such a holder will recognize gain or loss equal to the difference between the amount of cash received and the basis allocable to your fractional share of First Horizon common stock. This gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if, as of the effective date of the merger, the holding period for the shares (including the holding period of Capital Bank Financial common stock surrendered therefor) is greater than one year. The deductibility of capital losses is subject to limitations.

### **Backup Withholding**

Payments of cash to a non-corporate holder of Capital Bank Financial common stock in connection with the merger may be subject to information reporting and backup withholding (currently at a rate of 28%). Such Capital Bank Financial common stockholders generally will not be subject to backup withholding, however, if the holder:

- furnishes a correct taxpayer identification number and any other required information to the exchange agent; or
- provides proof of an applicable exemption from backup withholding.

Any amounts withheld under the backup withholding rules are not additional tax and will generally be allowed as a refund or credit against the holder's United States federal income tax liability, provided the required information is timely furnished to the Internal Revenue Service.

**This summary of certain material United States federal income tax consequences is for general information only and is not tax advice. You are urged to consult your tax advisor with respect to the application of United States federal income tax laws to your particular situation as well as any tax consequences arising under the United States federal estate or gift tax rules, or under the laws of any state, local, foreign or other taxing jurisdiction.**

**UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED FINANCIAL INFORMATION**

The following tables show unaudited pro forma condensed combined consolidated financial information about the financial condition and results of operations, including per share data, after giving effect to the purchase of Coastal and the merger of Capital Bank Financial and other pro forma adjustments. The unaudited pro forma financial information assumes that the transactions are accounted for under the acquisition method of accounting, and the assets and liabilities of Coastal and Capital Bank Financial will generally be recorded by First Horizon at their respective fair values as of the date the transactions were or are (as applicable) completed. The unaudited pro forma condensed combined balance sheet gives effect to the transactions as if the transactions had occurred on March 31, 2017. The unaudited pro forma condensed combined income statements for the three months ended March 31, 2017, and the year ended December 31, 2016, give effect to the transactions as if the transactions had become effective at January 1, 2016. The unaudited selected pro forma combined financial information has been derived from and should be read in conjunction with the consolidated financial statements and related notes of First Horizon, which are incorporated in this joint proxy statement/prospectus by reference, the consolidated financial statements and related notes of Capital Bank Financial, which are incorporated in this joint proxy statement/prospectus by reference, and the more detailed unaudited pro forma condensed combined financial information, including the notes thereto, appearing elsewhere in this joint proxy statement/prospectus. See “Where You Can Find More Information” beginning on page 164.

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not indicate the financial results of the combined company had the companies actually been combined at the beginning of each period presented, nor the impact of possible business model changes. The unaudited pro forma condensed combined financial information also does not consider any potential effects of changes in market conditions on revenues, expense efficiencies, asset dispositions, and share repurchases, among other factors, including those discussed in the section entitled “Risk Factors” beginning on page 35. In addition, as explained in more detail in the below accompanying notes, the preliminary allocation of the pro forma purchase prices for both transactions reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary significantly from the actual purchase price allocation that will be recorded upon completion of the transactions.

**FIRST HORIZON NATIONAL CORPORATION**  
**PRO FORMA CONDENSED COMBINED CONSOLIDATED STATEMENTS OF CONDITION**

March 31, 2017

<i>(Dollars and shares in thousands) (Unaudited)</i>	First Horizon (As reported)	Coastal	Coastal Pro forma Adjustments	Ref	Pro forma First Horizon including Coastal	Capital Bank Financial (As reported)	Capital Bank Financial Pro forma Adjustments	Ref	Pro forma First Horizon including Coastal and Capital Bank Financial
<b>Assets:</b>									
Cash and due from banks	\$ 369,290	\$ 7,502	\$ —		\$ 376,792	\$ 100,134	\$ —		\$ 476,926
Federal funds sold and securities purchased under agreements to resell	866,717	—	—		866,717	—	—		866,717
Total cash and cash equivalents	1,236,007	7,502	—		1,243,509	100,134	—		1,343,643
Interest-bearing cash	2,106,597	4,132	(136,879)	A	1,973,850	60,413	(470,613)	J	1,563,650
Trading securities	1,167,310	423,662	(284,580)	B,	1,306,392	4,150	—		1,310,542
Loans held-for-sale	105,456	—	236,088	C	341,544	4,980	—		346,524
Investment securities	3,953,632	—	1,334	B	3,954,966	1,600,516	(324)	K	5,555,158
Loans, net of unearned income	19,090,074	—	—		19,090,074	7,506,975	(99,927)	L	26,497,122
Less: Allowance for loan losses	201,968	—	—		201,968	43,891	(43,891)	M	201,968
Total net loans	18,888,106	—	—		18,888,106	7,463,084	(56,036)		26,295,154
Goodwill	191,371	—	50,642	D	242,013	234,158	736,200	N	1,212,371
Other intangible assets, net	19,785	—	21,700	E	41,485	31,553	87,831	O	160,869
Fixed income receivables	168,315	—	—		168,315	—	—		168,315
Premises and equipment, net	290,497	1,229	—		291,726	199,167	(5,941)	P	484,952
Real estate acquired by foreclosure	15,144	—	—		15,144	51,050	(6,442) <sup>(a)</sup>	Q	59,752
Other assets	1,476,380	1,684	5,134	F	1,483,198	348,837	48,184	R	1,880,219
<b>Total assets</b>	<b>\$29,618,600</b>	<b>\$ 438,209</b>	<b>\$(106,561)</b>		<b>\$29,950,248</b>	<b>\$10,098,042</b>	<b>\$ 332,859</b>		<b>\$40,381,149</b>
<b>Liabilities and shareholders' equity:</b>									
Deposits	\$23,479,841	\$ —	\$ —		\$23,479,841	\$ 8,092,607	\$ (13,083)	S	\$31,559,365
Federal funds purchased and securities sold under agreements to repurchase	911,159	201,566	—		1,112,725	20,435	—		1,133,160
Trading liabilities	848,190	—	—		848,190	—	—		848,190
Other short-term borrowings	79,454	33,509	—		112,963	491,340	—		604,303
Term borrowings	1,035,036	—	—		1,035,036	117,272	58,328	T	1,210,636
Fixed income payables	21,116	143,647	(47,158)	C	117,605	—	—		117,605
Other liabilities	503,344	958	(658)	G	503,644	68,457	(10,465)	U	561,636
Total liabilities	26,878,140	379,680	(47,816)		27,210,004	8,790,111	34,780		36,034,895
Shareholders' equity									
Preferred stock	95,624	—	—		95,624	—	—		95,624
Common stock	146,177	—	—		146,177	650	55,859	V	202,686
Treasury stock, at cost	—	—	—		—	(312,384)	312,384	W	—
Capital surplus	1,391,777	58,529	(58,529)	H	1,391,777	1,369,689	198,433	X	2,959,899
Undivided profits	1,061,409	—	(216)	I	1,061,193	262,443	(281,064)	W, Y	1,042,572
Accumulated other comprehensive (loss)/income, net	(249,958)	—	—		(249,958)	(12,467)	12,467	W	(249,958)
Shareholders' equity	2,445,029	58,529	(58,745)		2,444,813	1,307,931	298,079		4,050,823
Noncontrolling interest	295,431	—	—		295,431	—	—		295,431
Total equity	2,740,460	58,529	(58,745)		2,740,244	1,307,931	298,079		4,346,254
<b>Total liabilities and</b>	<b>\$29,618,600</b>	<b>\$ 438,209</b>	<b>\$(106,561)</b>		<b>\$29,950,248</b>	<b>\$10,098,042</b>	<b>\$ 332,859</b>		<b>\$40,381,149</b>

<b>shareholders' equity</b>								
<b>Common shares</b>								
<b>outstanding</b>	233,883	N/A	N/A		233,883	51,966	38,448	Z 324,297
<b>Book value per common</b>								
<b>share</b>	\$ 10.45				\$ 10.45	\$ 25.17		\$ 12.49

<sup>(a)</sup> Pro forma valuation adjustments on foreclosed assets pertain to level 3 inputs associated with First Horizon's estimated marketability discounts primarily on raw land and lots that are consistent with First Horizon's liquidation strategy.

See accompanying notes to unaudited pro forma condensed combined consolidated financial statements.

**FIRST HORIZON NATIONAL CORPORATION**  
**PRO FORMA CONDENSED COMBINED CONSOLIDATED STATEMENT OF INCOME**

Three Months Ended March 31, 2017

<i>(Dollars in thousands except per share data)/(Unaudited)</i>	First Horizon (As reported)	Coastal	Coastal Proforma Adjustments	Ref	Proforma First Horizon including Coastal	Capital Bank Financial (As reported)	Capital Bank Financial Proforma Adjustments	Ref	Proforma First Horizon including Coastal and Capital Bank Financial
<b>Interest income:</b>									
Interest and fees on loans	\$ 180,464	\$ —	\$ —		\$ 180,464	\$ 83,254	\$ (751)	EE	\$ 262,967
Interest on investment securities	25,832	—	—		25,832	9,218	1,391	FF	36,441
Interest on loans held-for-sale	1,283	7,440	—		8,723	—	—		8,723
Interest on trading securities	6,353	—	—		6,353	—	—		6,353
Interest on other earning assets	4,879	—	—		4,879	465	—		5,344
Total interest income	218,811	7,440	—		226,251	92,937	640		319,828
<b>Interest expense:</b>									
Interest on deposits	16,186	—	—		16,186	7,653	911	GG	24,750
Interest on trading liabilities	3,781	—	—		3,781	—	—		3,781
Interest on short-term borrowings	1,392	2,929	—		4,321	887	—		5,208
Interest on long-term debt	7,744	—	—		7,744	2,281	(394)	HH	9,631
Total interest expense	29,103	2,929	—		32,032	10,821	517		43,370
<b>Net interest income</b>	189,708	4,511	—		194,219	82,116	123		276,458
Provision/(provision credit) for loan losses	(1,000)	—	—		(1,000)	3,392	—		2,392
<b>Net interest income after provision/(provision credit) for loan losses</b>	190,708	4,511	—		195,219	78,724	123		274,066
<b>Noninterest income:</b>									
Fixed income	50,678	12,259	—		62,937	—	—		62,937
Deposit transactions and cash management	24,565	—	—		24,565	5,375	—		29,940
Brokerage, management fees and commissions	11,906	—	—		11,906	—	—		11,906
Trust services and investment management	6,653	—	—		6,653	641	—		7,294
All other income and commissions	23,137	—	—		23,137	9,836	—		32,973
Total noninterest income	116,939	12,259	—		129,198	15,852	—		145,050
<b>Adjusted gross income after provision for loan losses</b>	307,647	16,770	—		324,417	94,576	123		419,116
<b>Noninterest expense:</b>									
Employee compensation, incentives and benefits	134,932	7,617	375	AA	142,924	30,066 <sup>(a)</sup>	—		172,990
Occupancy	12,340	249	—		12,589	5,434	92	II	18,115
Computer software	10,799	—	—		10,799	2,662	—		13,461
Operations services	10,875	694	—		11,569	3,873	—		15,442
Equipment rentals, depreciation, and maintenance	6,351	98	—		6,449	3,558	—		10,007
Amortization of intangible assets	1,232	—	439	BB	1,671	1,667	3,027	JJ	6,365
Repurchase and foreclosure provision/(provision credit)	(238)	—	—		(238)	—	—		(238)
All other expense	45,914	1,400	(15)	CC	47,299	15,443	—		62,742
Total noninterest expense	222,205	10,058	799		233,062	62,703	3,119		298,884
<b>Income before income taxes</b>	85,442	6,712	(799)		91,355	31,873	(2,996)		120,232
Provision/(benefit) for income taxes	27,054	—	2,263	DD	29,317	10,990	(1,147)	KK	39,160
<b>Net income/(loss)</b>	58,388	6,712	(3,062)		62,038	20,883	(1,849)		81,072
Net income attributable to noncontrolling interest	2,820	—	—		2,820	—	—		2,820
<b>Net income attributable to controlling</b>	55,568	6,712	(3,062)		59,218	20,883	(1,849)		78,252



**interest**

Preferred stock dividends	<u>1,550</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,550</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,550</u>
<b>Net income/(loss) available to common shareholders</b>	<u>\$ 54,018</u>	<u>\$ 6,712</u>	<u>\$ (3,062)</u>	<u>—</u>	<u>\$ 57,668</u>	<u>\$ 20,883</u>	<u>\$ (1,849)</u>	<u>—</u>	<u>\$ 76,702</u>
<b>Earnings per common share</b>	<u>\$ .23</u>	<u>N/A</u>	<u>N/A</u>	<u>—</u>	<u>\$ .25</u>	<u>\$ .40</u>	<u>\$ (0.05)</u>	<u>—</u>	<u>\$ .24</u>
<b>Diluted earnings per common share</b>	<u>\$ .23</u>	<u>N/A</u>	<u>N/A</u>	<u>—</u>	<u>\$ .24</u>	<u>\$ .39</u>	<u>\$ (0.05)</u>	<u>—</u>	<u>\$ .23</u>
<b>Weighted average common shares</b>	<u>233,076</u>	<u>N/A</u>	<u>N/A</u>	<u>—</u>	<u>233,076</u>	<u>51,634</u>	<u>38,780</u>	<u>LL</u>	<u>323,490</u>
<b>Diluted average common shares</b>	<u>236,855</u>	<u>N/A</u>	<u>N/A</u>	<u>—</u>	<u>236,855</u>	<u>53,127</u>	<u>40,889</u>	<u>LL</u>	<u>330,871</u>

<sup>(a)</sup> It is anticipated that expense will be affected by \$15.1 million in payments associated with change in control agreements.

See accompanying notes to unaudited pro forma condensed combined consolidated financial statements.

**FIRST HORIZON NATIONAL CORPORATION**  
**PRO FORMA CONDENSED COMBINED CONSOLIDATED STATEMENT OF INCOME**

Year Ended December 31, 2016

<i>(Dollars in thousands except per share data)/(Unaudited)</i>	First Horizon (As reported)	Coastal	Coastal Proforma Adjustments	Ref	Proforma First Horizon including Coastal	Capital Bank Financial (As reported)	Capital Bank Financial Proforma Adjustments	Ref	Proforma First Horizon including Coastal and Capital Bank Financial
<b>Interest income:</b>									
Interest and fees on loans	\$ 679,917	\$ —	\$ —		\$ 679,917	\$ 268,159	\$ 672	EE	\$ 948,748
Interest on investment securities	97,460	—	—		97,460	27,763	5,699	FF	130,922
Interest on loans held-for-sale	5,506	30,322	—		35,828	—	—		35,828
Interest on trading securities	30,779	—	—		30,779	—	—		30,779
Interest on other earning assets	4,247	—	—		4,247	1,804	—		6,051
Total interest income	<u>817,909</u>	<u>30,322</u>	<u>—</u>		<u>848,231</u>	<u>297,726</u>	<u>6,371</u>		<u>1,152,328</u>
<b>Interest expense:</b>									
Interest on deposits	39,986	—	—		39,986	25,325	4,727	GG	70,038
Interest on trading liabilities	15,000	—	—		15,000				