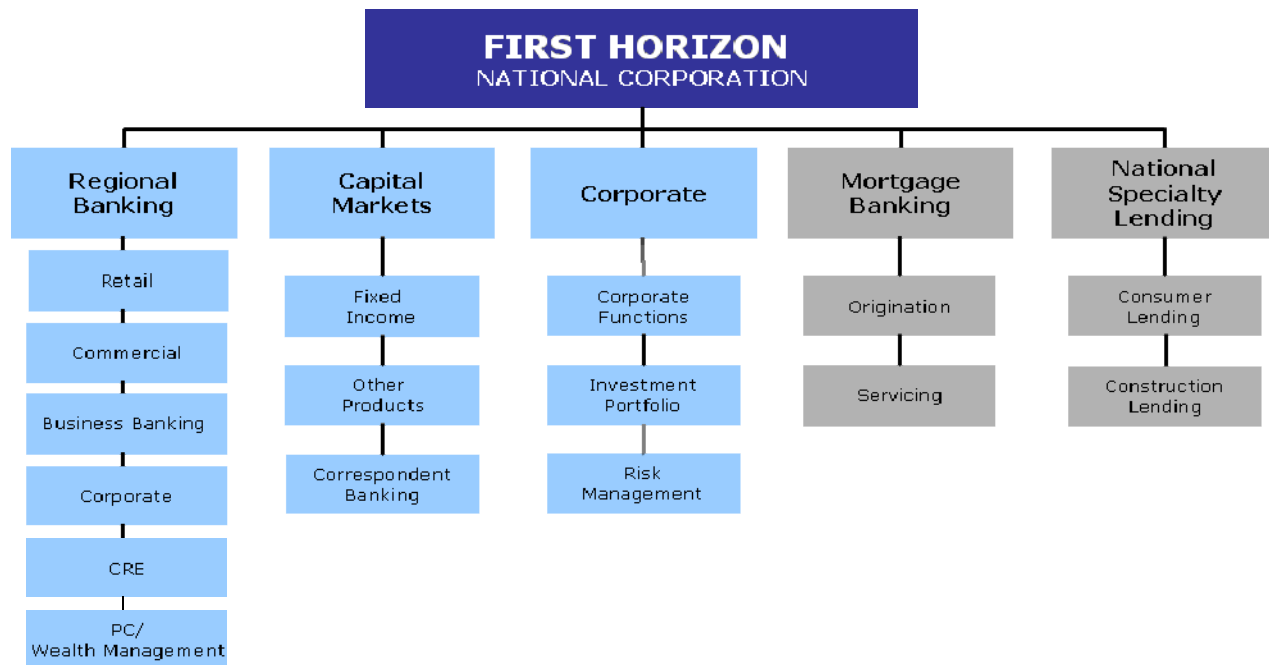




# THIRD QUARTER 2009 FINANCIAL SUPPLEMENT

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<p>This financial supplement contains forward-looking statements involving significant risks and uncertainties. A number of important factors could cause actual results to differ materially from those in the forward-looking information. Those factors include general economic and financial market conditions, including expectations of and actual timing and amount of interest rate movements including the slope of the yield curve, competition, customer and investor responses to these conditions, ability to execute business plans, geopolitical developments, recent and future legislative and regulatory developments, natural disasters, and items mentioned in this financial supplement and in First Horizon National Corporation's (FHN) most recent press release, as well as critical accounting estimates and other factors described in FHN's recent filings with the SEC. FHN disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements included herein or therein to reflect future events or developments.</p>	
<b>Use of Non-GAAP Measures</b>	
<p>Certain capital-related non-GAAP ratios are included in this financial supplement. FHN's management believes such ratios are relevant to understanding the capital position and results of the Company. The non-GAAP ratios presented in this Financial Supplement are tangible common equity to tangible common assets, tangible book value per common share, tier 1 common to risk weighted assets, and adjusted tangible common equity to risk weighted assets. These ratios are reported to FHN's management and Board of Directors through various internal reports. Additionally, disclosure of these ratios provides a meaningful base for comparability to other financial institutions as these ratios have become an important measure of the capital strength of banks as demonstrated by the inclusion in the stress tests administered by the United States Treasury Department under the Capital Assistance Program. Non-GAAP measures are not formally defined by GAAP or codified in the federal banking regulations, and other entities may use calculation methods that differ from those used by FHN. Tier 1 capital is a regulatory term and is generally defined as the sum of core capital (including common equity and instruments that can not be redeemed at the option of the holder) adjusted for certain items under risk based capital regulations. Also a regulatory term, risk weighted assets includes total assets adjusted for credit risk and is used to determine capital ratios. Refer to the tabular reconciliation of non-GAAP to GAAP measures and presentation of the most comparable GAAP items on page 34 of this financial supplement.</p>	



**Regional Banking**

- Traditional banking services for consumers and businesses
- Activities include lending and deposit taking, investments, insurance, financial planning, trust services, asset management, cash management, and health savings accounts
- Primarily southeastern U.S. footprint, with 183 financial centers in Tennessee and nearby markets
- First Tennessee banking franchise and middle market lending are key businesses

**Capital Markets**

- Fixed income sales, trading, and strategies for institutional clients in U.S. and abroad
- Other capital markets products include:
  - Portfolio advisory
  - Derivatives
  - Loan trading
  - Equity research
- Correspondent banking provides credit, depository, and other banking related services to other financial institutions

**Corporate**

- Includes executive management, enterprise-wide risk management, corporate finance, corporate communications, low income housing activities, and legal functions
- Also includes funding function for the corporation and any impact from balance sheet positioning

**Mortgage Banking**

- Primarily consists of first lien mortgage originations in the Tennessee market and legacy servicing
- In a transaction that closed on August 31, 2008, First Horizon National Corp. sold its mortgage servicing platform and origination offices outside Tennessee to MetLife Bank, N.A.

**National Specialty Lending**

- Wind-down portfolio that includes lending activities such as consumer lending and construction lending outside the Regional Banking footprint
- Construction lending includes national home builder, one-time close, and commercial real estate portfolios
  - In January 2008, FHN announced the discontinuation of national home builder and commercial real estate lending through its First Horizon Construction Lending offices
- Consumer lending consists mainly of national retail-originated home equity loans and lines

## PERFORMANCE HIGHLIGHTS



### Summary of Third Quarter 2009 Significant Items (in millions)

Segment	Item	Income Statement	Pre-Tax	Comments
Corporate	Debt Repurchase Gains	Noninterest income: Other	\$12.8	Gain on repurchases of \$160.0 million of debt.
	Reduction of Visa Contingent Liability	Noninterest expense: Other	\$7.0	Reversal of proportionate share of escrow funding by Visa for certain Visa litigation matters for which FHN has a contingent guarantee.
	Restructuring, Repositioning & Efficiency Initiatives	Discontinued operations, net of tax	\$(14.0)	Pre-tax goodwill impairment as a result of agreement to sell institutional equity research group.
Mortgage Banking	Foreclosure/Repurchase Provision	Noninterest expense: Other	\$(25.8)	Charges related to mortgage foreclosure and repurchase activity from legacy origination platform.
Various	OREO Fair Value Adjustments and Expenses	Noninterest expense: Other	\$(21.2)	Primarily reflects depreciation in the fair value and disposal losses of OREO.
	BOLI Contract Surrender	Tax expense	\$(8.4)	Surrender of BOLI contract triggered negative tax effect.

*(Third Quarter 2009 vs. Second Quarter 2009)*

### Asset Quality

- Allowance as a percentage of loans ratio increased to 510 basis points from 491 basis points in prior quarter
  - Increase in ratio is primarily due to a decline in period-end loan balances
- NPAs decreased slightly from prior quarter; NPA ratio increased to 638 basis points from 615 basis points
  - NPL decline is primarily a result of OTC wind down
- Provision expense decreased to \$185.0 million in third quarter compared to \$260.0 million in second quarter
- Commercial Portfolio
  - Increase in C&I reserves is primarily related to deterioration in bank holding company and trust preferred loan portfolios
  - Income CRE reserves increased; portfolio affected by current economic conditions
  - Residential CRE reserves decreased as national portfolio winds down
- Consumer Portfolio
  - Home equity required reserves slightly increased in national specialty
  - Permanent mortgage reserves relatively stable
  - OTC reserves decreased by \$55.0 million as a result of the portfolio wind-down and better than expected resolutions
- Net charge-offs were 424 annualized basis points of average loans from 477 basis points in prior quarter
  - Net charge-offs were \$201.7 million in third quarter compared to \$239.4 million in prior quarter
    - C&I net charge-offs ratio increased; all other portfolios were flat or decreased from prior quarter
    - C&I increase primarily driven by bank holding company and trust preferred loans
  - Charging off almost all impaired commercial loan balances down to most likely estimate of collateral value net of costs to sell

### Capital

- Continued quarterly dividend payable in common stock
- Current ratios improved and continue to benefit from balance sheet contraction (estimated based on period end balances)
  - 7.9% for tangible common equity to tangible assets
  - 16.2% for Tier I
  - 21.6% for Total Capital
  - 9.9% for Tier 1 Common
- CPP Preferred dividend of \$14.9 million in third quarter
  - \$10.8 million effect of cash dividend
  - \$4.1 million of amortization to accrete initial discounted book value up to face value

## PERFORMANCE HIGHLIGHTS (continued)



*(Third Quarter 2009 vs. Second Quarter 2009)*

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### Regional Banking

- Net interest margin expanded to 4.80% compared to 4.72% in second quarter
  - Reflects increase in commercial loan spreads
- Noninterest income flat at \$81.4 million for both periods
- Provision expense increased to \$63.1 million from \$51.0 million
  - Deterioration in Income CRE portfolio; increased reserves
- Noninterest expense was relatively flat at \$169.8 million compared to \$168.4 million in prior quarter
  - Credit losses on customer derivatives of \$5.6 million
  - Foreclosure losses increased \$3.8 million as a result of OREO dispositions and fair value adjustments
  - Prior quarter included \$5.0 million allocation of FDIC special assessment

### Capital Markets

- Fixed income revenues were \$120.5 million in third quarter compared to \$170.1 million in prior quarter
  - Average daily revenue of \$1.9 million in third quarter; revenues beginning to normalize
- Other product revenues were \$10.3 million in third quarter compared to \$11.4 million in second quarter
- Provision expense increased to \$54.2 million from \$21.1 million
  - Primarily reflects continued stress on bank holding company and trust preferred loan portfolios
- Noninterest expense decreased \$18.5 million to \$86.6 million as a result of lower production volumes

### Corporate

- Noninterest income increased due to \$12.8 million gain on the repurchase of bank debt
- Noninterest expense decreased as a result of the reversal of \$7.0 million contingent liability for certain Visa legal matters
- Pre-tax restructuring charges were \$15.7 million in third quarter 2009; minimal in second quarter
  - \$14.0 million goodwill impairment related to an agreement to sell the Capital Markets institutional equity research business

### Mortgage Banking

- Noninterest income increased to \$60.8 million from \$19.2 million in second quarter
  - Positive net hedging results were \$30.8 million compared to \$6.2 million in second quarter
    - Less rate volatility experienced in current quarter
  - Increased origination income primarily due to \$5 million positive fair value adjustment to the mortgage warehouse
    - Prior quarter included a negative \$10 million fair value adjustment
- Noninterest expense decreased to \$48.1 million in third quarter from \$63.2 million in prior quarter
  - Provisioning for foreclosure and repurchase losses related to legacy origination platform of \$25.8 million in third quarter; \$29.1 million in prior quarter
  - Third quarter PMI reinsurance liability charges of \$1.1 million; decrease of \$7.0 million from prior quarter
- Provision expense decreased \$23.3 million due to improved performance of permanent mortgage portfolio

### National Specialty Lending

- Period-end loans declined approximately \$500 million
- Provision for loan losses decreased \$96.8 million
  - Reflects \$47.3 million reserve release primarily due to wind-down of OTC portfolio
- Noninterest income increased sequentially to \$6.1 million from a loss of \$9.1 million
  - Minimal reserve reversal in third quarter for consumer repurchase obligations; \$12.0 million expense recognized in second quarter
    - Decrease resulting from settlement of repurchase obligation for substantial portion of prior consumer loan sales
- Noninterest expense decreased to \$28.2 million from \$41.0 million in second quarter
  - Prior quarter included higher foreclosures losses and allocation of the FDIC special assessment

### Taxes

- Approximately \$8 million positive quarterly effect from permanent tax credits
  - More than offset by an \$8.4 million negative tax affect due to surrender of BOLI contract in the third quarter

## CHARGES FOR RESTRUCTURING, REPOSITIONING, & EFFICIENCY INITIATIVES

Quarterly, Unaudited



(Thousands, rounded)	3Q09	2Q09	1Q09	4Q08	3Q08
<b>By Income Statement Impact</b>					
Noninterest income					
Mortgage banking	\$ -	\$ -	(1,100)	\$ -	(700)
Losses on divestitures	-	-	-	(100)	(17,500)
Noninterest expense					
Employee compensation, incentives, and benefits	700	700	2,700	500	10,300
Legal and professional fees	-	-	100	300	(100)
Occupancy	800	(600)	-	(200)	3,900
Equipment rentals, depreciation, and maintenance	-	-	-	-	100
All other expense	-	200	800	9,500	1,100
Total loss before income taxes	(1,500)	(300)	(4,700)	(10,200)	(33,500)
Loss from discontinued operations, net of tax (a)	(14,200)	-	-	(100)	(400)
Net loss	\$ (15,700)	\$ (300)	\$ (4,700)	\$ (10,300)	\$ (33,900)

Certain previously reported amounts have been reclassified to agree with current presentation.

(a) 3Q09 primarily includes goodwill impairment related to the Capital Markets institutional equity research business.

# CONSOLIDATED SUMMARY RESULTS

Quarterly, Unaudited



(Thousands)	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
<b>Income Statement Highlights</b>							
Net interest income	\$190,901	\$199,086	\$196,587	\$204,948	\$223,147	(4)%	(14)%
Noninterest income	303,753	284,513	399,348	325,021	296,283	7 %	3 %
Securities gains/(losses), net	65	(330)	(2)	1,346	(210)	120 %	131 %
Total revenue	494,719	483,269	595,933	531,315	519,220	2 %	(5)%
Noninterest expense	349,901	402,486	407,803	334,569	387,515	(13)%	(10)%
Provision for loan losses	185,000	260,000	300,000	280,000	340,000	(29)%	(46)%
Loss before income taxes	(40,182)	(179,217)	(111,870)	(83,254)	(208,295)	78 %	81 %
Benefit for income taxes	(15,368)	(74,043)	(47,423)	(31,317)	(87,824)	79 %	83 %
Loss from continuing operations	(24,814)	(105,174)	(64,447)	(51,937)	(120,471)	76 %	79 %
Income/(loss) from discontinued operations, net of tax (a)	(10,200)	(308)	(648)	442	(1,749)	NM	NM
Net loss	(35,014)	(105,482)	(65,095)	(51,495)	(122,220)	67 %	71 %
Net income attributable to noncontrolling interest (b)	2,969	2,844	2,750	4,236	2,875	4 %	3 %
Net loss attributable to controlling interest	(37,983)	(108,326)	(67,845)	(55,731)	(125,095)	65 %	70 %
Preferred stock dividends (c)	14,876	14,856	14,956	7,413	-	*	NM
Loss available to common shareholders	\$(52,859)	\$(123,182)	\$(82,801)	\$(63,144)	\$(125,095)	57 %	58 %
<b>Common Stock Data</b>							
Diluted EPS from continuing operations (d)	\$(0.20)	\$(0.57)	\$(0.38)	\$(0.29)	\$(0.57)	65 %	65 %
Diluted EPS (d)	(0.24)	(0.57)	(0.38)	(0.29)	(0.58)	58 %	59 %
Diluted shares (d)	217,186	217,134	217,134	217,063	217,062	*	*
Period-end shares outstanding (d)	218,654	218,630	218,352	217,489	217,504	*	1 %
Stock dividend rate declared per share	1.5901%	1.5782%	2.6673%	1.8370%	3.0615%	NM	NM
<b>Balance Sheet Highlights (Period End)</b>							
Total loans, net of unearned income	\$18,524,685	\$19,585,827	\$20,572,477	\$21,278,190	\$21,601,898	(5)%	(14)%
Total deposits	14,234,983	14,977,461	14,910,055	14,241,814	13,778,235	(5)%	3 %
Total assets	26,465,852	28,758,943	31,208,024	31,021,980	32,804,376	(8)%	(19)%
Total liabilities	23,095,643	25,364,961	27,700,348	27,447,348	29,931,458	(9)%	(23)%
Total equity	3,370,209	3,393,982	3,507,676	3,574,632	2,872,918	*	17 %
<b>Asset Quality Highlights</b>							
Allowance for loan losses	\$944,765	\$961,482	\$940,932	\$849,210	\$760,456	(2)%	24 %
Allowance / period-end loans	5.10%	4.91%	4.57%	3.99%	3.52%		
Net charge-offs	\$201,718	\$239,449	\$208,278	\$191,246	\$154,693	16 %	(30)%
Net charge-offs (annualized) / average loans	4.24%	4.77%	3.97%	3.61%	2.84%		
Non-performing assets (NPA)	\$1,220,489	\$1,233,077	\$1,252,153	\$1,157,957	\$1,015,494	(1)%	20 %
NPA % (e)	6.38%	6.15%	5.98%	5.38%	4.63%		
<b>Key Ratios &amp; Other</b>							
Return on average assets	(0.52)%	(1.46)%	(0.87)%	(0.66)%	(1.46)%		
Return on average common equity	(9.02)%	(20.96)%	(13.44)%	(9.30)%	(18.30)%		
Net interest margin	3.14%	3.05%	2.89%	2.96%	3.01%		
Fee income to total revenue	61%	59%	67%	61%	57%		
Efficiency ratio	70.73%	83.28%	68.43%	62.97%	74.63%		
Book value per common share	\$10.43	\$10.56	\$11.11	\$11.48	\$11.85		
Tangible book value per common share (f)	9.43	9.49	10.03	10.39	10.75		
Adjusted tangible common equity to risk weighted assets (f)	9.06	8.71	8.61	8.80	8.78		
FTE employees	5,837	5,971	6,033	6,095	6,195	(2)%	(6)%

NM - Not meaningful

\* Amount is less than one percent.

Certain previously reported amounts have been reclassified to agree with current presentation.

(a) 3Q09 includes results of operations and \$14.0 million goodwill impairment related to the Capital Markets equity research business.

(b) Represents preferred dividends previously reported in NIOE. Currently reported as noncontrolling interest due to adoption of change in accounting for presentation of minority interest.

(c) 3Q09 includes \$4.1 million amortization of initial discounted book value of CPP preferred

(d) Shares restated for stock dividends distributed through October 1, 2009

(e) NPAs related to the loan portfolio over period-end loans plus foreclosed real estate and other assets

(f) Refer to the Non-GAAP to GAAP Reconciliation on page 34 of this financial supplement

# CONSOLIDATED INCOME STATEMENT

Quarterly, Unaudited



(Thousands)	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
Interest income	\$236,360	\$255,495	\$270,093	\$331,554	\$383,243	(7)%	(38)%
Less interest expense	45,459	56,409	73,506	126,606	160,096	(19)%	(72)%
Net interest income	190,901	199,086	196,587	204,948	223,147	(4)%	(14)%
Provision for loan losses	185,000	260,000	300,000	280,000	340,000	(29)%	(46)%
Net interest income/(loss) after provision for loan losses	5,901	(60,914)	(103,413)	(75,052)	(116,853)	110 %	105 %
Noninterest income:							
Capital markets	129,043	179,384	205,700	163,021	86,854	(28)%	49 %
Mortgage banking	59,211	15,483	115,749	80,087	106,817	NM	(45)%
Deposit transactions and cash management	41,738	41,815	39,032	43,882	45,802	*	(9)%
Trust services and investment management	7,347	7,651	6,820	7,675	8,154	(4)%	(10)%
Insurance commissions	5,907	6,555	6,918	6,806	7,332	(10)%	(19)%
Revenue from loan sales and securitizations	2,155	552	969	(782)	3,238	NM	(33)%
Securities gains/(losses), net	65	(330)	(2)	1,346	(210)	120 %	131 %
Gains/(losses) on divestitures	-	-	-	(106)	(17,489)	NM	NM
Other (a)	58,352	33,073	24,160	24,438	55,575	76 %	5 %
Total noninterest income	303,818	284,183	399,346	326,367	296,073	7 %	3 %
Adjusted gross income after provision for loan losses	309,719	223,269	295,933	251,315	179,220	39 %	73 %
Noninterest expense:							
Employee compensation, incentives and benefits (b)	178,734	193,392	242,175	173,549	207,423	(8)%	(14)%
Legal and professional fees	17,077	14,742	13,869	17,463	16,556	16 %	3 %
Occupancy (b)	16,207	15,536	15,722	18,787	26,854	4 %	(40)%
Operations services	15,392	16,708	15,339	18,148	18,881	(8)%	(18)%
Equipment rentals, depreciation and maintenance	8,695	8,238	8,628	11,373	12,268	6 %	(29)%
Communications and courier	6,837	6,931	6,920	7,403	9,243	(1)%	(26)%
Amortization of intangible assets	1,445	1,509	1,636	1,805	1,802	(4)%	(20)%
Other (c) (d)	105,514	145,430	103,514	86,041	94,488	(27)%	12 %
Total noninterest expense	349,901	402,486	407,803	334,569	387,515	(13)%	(10)%
Loss before income taxes	(40,182)	(179,217)	(111,870)	(83,254)	(208,295)	78 %	81 %
Benefit for income taxes	(15,368)	(74,043)	(47,423)	(31,317)	(87,824)	79 %	83 %
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Net loss attributable to controlling interest	\$(37,983)	\$(108,326)	\$(67,845)	\$(55,731)	\$(125,095)	65 %	70 %
Preferred stock dividends (f)	14,876	14,856	14,956	7,413	-	*	NM
Net loss available to common shareholders	\$(52,859)	\$(123,182)	\$(82,801)	\$(63,144)	\$(125,095)	57 %	58 %

NM - Not meaningful

\* Amount is less than one percent.

Certain previously reported amounts have been reclassified to agree with current presentation.

### 3Q09 Key Impacts

- (a) Includes \$12.8 million gain on repurchase of debt.
- (b) Includes a portion of net charges for \$15.7 million, see Restructuring, Repositioning & Efficiency Initiatives page for further details.
- (c) Includes \$25.8 million increase in Mortgage Banking related repurchase reserves.
- (d) Includes \$7.0 million contingent liability reversal related to Visa legal matters.
- (e) Represents preferred dividends previously reported in NIOE. Currently reported as noncontrolling interest due to adoption of change in accounting for presentation of minority interests
- (f) Includes \$4.1 million amortization of initial discounted book value of CPP preferred.

## OTHER INCOME AND OTHER EXPENSE

Quarterly, Unaudited



(Thousands)	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
<b>Other Income</b>							
Gain on repurchase of debt	\$12,800	\$ -	\$60	\$2,330	\$18,919	NM	(32)%
Brokerage management fees and commissions	7,315	6,469	6,632	7,307	7,824	13 %	(7)%
Bank owned life insurance	6,066	4,295	4,131	5,107	6,731	41 %	(10)%
Bankcard income	5,173	5,076	4,896	5,226	5,587	2 %	(7)%
Deferred compensation	5,006	4,957	(2,743)	(12,531)	(5,145)	1 %	197 %
Remittance processing	2,968	3,374	3,143	3,160	3,314	(12)%	(10)%
ATM interchange fees	2,704	2,729	2,205	2,485	2,263	(1)%	19 %
Other service charges	2,645	3,030	3,521	3,002	3,043	(13)%	(13)%
Reinsurance fees	1,760	2,788	2,796	2,624	2,830	(37)%	(38)%
Consumer loan repurchases	1,760	(11,982)	(9,950)	(2,389)	(1,660)	115 %	NM
Letter of credit	1,476	1,368	1,360	1,322	1,603	8 %	(8)%
Electronic banking fees	1,465	1,518	1,609	1,492	1,535	(3)%	(5)%
Other	7,214	9,451	6,500	5,303	8,731	(24)%	(17)%
<b>Total</b>	<b>\$58,352</b>	<b>\$33,073</b>	<b>\$24,160</b>	<b>\$24,438</b>	<b>\$55,575</b>	<b>76 %</b>	<b>5 %</b>
<b>Other Expense</b>							
Mortgage banking foreclosure and repurchase provision	\$25,751	\$29,099	\$12,267	\$2,752	\$849	(12)%	NM
Foreclosed real estate	21,221	21,798	10,033	8,189	4,130	(3)%	NM
Deposit insurance premium	8,796	21,353	7,628	4,288	4,146	(59)%	112 %
Contract employment	7,956	8,966	10,161	11,567	9,033	(11)%	(12)%
Computer software	6,871	6,474	6,883	7,134	7,144	6 %	(4)%
Low income housing expense	5,833	5,509	5,125	4,289	5,064	6 %	15 %
Advertising and public relations	5,465	5,229	5,813	7,284	9,040	5 %	(40)%
Loan closing costs	4,503	7,414	5,139	3,129	10,314	(39)%	(56)%
Other insurance and taxes	2,924	3,239	2,899	2,838	1,383	(10)%	111 %
Travel and entertainment	2,139	2,691	2,334	2,834	2,785	(21)%	(23)%
Loan insurance expense	1,988	2,057	1,912	1,482	1,477	(3)%	35 %
Customer relations	1,610	1,960	2,288	1,896	2,727	(18)%	(41)%
Supplies	1,570	1,512	270	2,020	2,686	4 %	(42)%
Fed services fees	1,307	1,360	1,367	1,526	1,975	(4)%	(34)%
Employee training and dues	1,282	1,537	1,425	1,759	1,463	(17)%	(12)%
Bank examination costs	1,194	1,248	1,248	514	1,523	(4)%	(22)%
Other (a)	5,104	23,984	26,722	22,540	28,749	(79)%	(82)%
<b>Total</b>	<b>\$105,514</b>	<b>\$145,430</b>	<b>\$103,514</b>	<b>\$86,041</b>	<b>\$94,488</b>	<b>(27)%</b>	<b>12 %</b>

NM - Not meaningful

\* Amount is less than one percent.

Certain previously reported amounts have been reclassified to agree with current presentation.

### 3Q09 Key Impacts

(a) Includes \$7.0 million contingent liability reversal related to Visa legal matters.

**CONSOLIDATED PERIOD-END BALANCE SHEET**

Quarterly, Unaudited



(Thousands)	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
<b>Assets</b>							
Investment securities	\$2,645,922	\$2,821,079	\$3,016,013	\$3,125,153	\$2,840,739	(6)%	(7)%
Loans held for sale	502,687	481,284	643,518	566,654	718,029	4 %	(30)%
Loans, net of unearned income	18,524,685	19,585,827	20,572,477	21,278,190	21,601,898	(5)%	(14)%
Federal funds sold and securities purchased under agreements to resell	622,733	531,638	515,858	772,357	921,295	17 %	(32)%
Interest bearing cash (a)	166,352	672,553	1,174,442	207,792	37,546	(75)%	NM
Trading securities	701,151	1,117,212	933,316	945,766	1,561,024	(37)%	(55)%
<b>Total earning assets</b>	<b>23,163,530</b>	<b>25,209,593</b>	<b>26,855,624</b>	<b>26,895,912</b>	<b>27,680,531</b>	<b>(8)%</b>	<b>(16)%</b>
Cash and due from banks	328,150	419,696	438,181	552,423	815,935	(22)%	(60)%
Capital markets receivables	797,949	959,514	1,502,033	1,178,932	1,651,547	(17)%	(52)%
Mortgage servicing rights, net	289,282	337,096	381,024	376,844	798,491	(14)%	(64)%
Goodwill	178,381	192,408	192,408	192,408	192,408	(7)%	(7)%
Other intangible assets, net	40,498	41,937	43,446	45,081	46,887	(3)%	(14)%
Premises and equipment, net	321,788	325,666	330,299	333,931	336,078	(1)%	(4)%
Real estate acquired by foreclosure (b)	111,389	116,584	132,653	125,538	151,461	(4)%	(26)%
Allowance for loan losses	(944,765)	(961,482)	(940,932)	(849,210)	(760,456)	2 %	(24)%
Other assets	2,179,650	2,117,931	2,273,288	2,170,121	1,891,494	3 %	15 %
<b>Total assets</b>	<b>\$26,465,852</b>	<b>\$28,758,943</b>	<b>\$31,208,024</b>	<b>\$31,021,980</b>	<b>\$32,804,376</b>	<b>(8)%</b>	<b>(19)%</b>
<b>Liabilities and Equity</b>							
<b>Deposits</b>							
Savings	\$4,416,121	\$4,593,215	\$4,396,213	\$4,824,939	\$4,350,832	(4)%	2 %
Other interest-bearing deposits	2,162,059	2,110,787	1,868,902	1,783,362	1,638,731	2 %	32 %
Time deposits	2,156,768	2,149,812	2,152,837	2,294,644	2,510,344	*	(14)%
Total interest-bearing core deposits	8,734,948	8,853,814	8,417,952	8,902,945	8,499,907	(1)%	3 %
Noninterest-bearing deposits	4,236,704	4,689,639	4,908,175	3,956,633	3,808,239	(10)%	11 %
<b>Total core deposits</b>	<b>12,971,652</b>	<b>13,543,453</b>	<b>13,326,127</b>	<b>12,859,578</b>	<b>12,308,146</b>	<b>(4)%</b>	<b>5 %</b>
Certificates of deposit \$100,000 and more	1,263,331	1,434,008	1,583,928	1,382,236	1,470,089	(12)%	(14)%
<b>Total deposits</b>	<b>14,234,983</b>	<b>14,977,461</b>	<b>14,910,055</b>	<b>14,241,814</b>	<b>13,778,235</b>	<b>(5)%</b>	<b>3 %</b>
<b>Federal funds purchased and securities sold under agreements to repurchase</b>							
	2,267,644	2,404,985	2,264,077	1,751,079	1,890,681	(6)%	20 %
Trading liabilities	415,293	286,282	288,029	359,502	380,896	45 %	9 %
Other short-term borrowings and commercial paper (c)	1,739,202	2,555,704	3,827,278	4,279,689	6,149,073	(32)%	(72)%
Term borrowings	2,368,381	2,511,674	3,353,464	4,022,297	4,545,791	(6)%	(48)%
Other collateralized borrowings	711,087	723,677	736,172	745,363	749,797	(2)%	(5)%
<b>Total long-term debt</b>	<b>3,079,468</b>	<b>3,235,351</b>	<b>4,089,636</b>	<b>4,767,660</b>	<b>5,295,588</b>	<b>(5)%</b>	<b>(42)%</b>
Capital markets payables	542,829	965,442	1,383,447	1,115,428	1,645,118	(44)%	(67)%
Other liabilities	816,224	939,736	937,826	932,176	791,867	(13)%	3 %
<b>Total liabilities</b>	<b>23,095,643</b>	<b>25,364,961</b>	<b>27,700,348</b>	<b>27,447,348</b>	<b>29,931,458</b>	<b>(9)%</b>	<b>(23)%</b>
<b>Equity</b>							
Common stock	136,659	134,505	132,247	128,302	125,996	2 %	8 %
Capital surplus	1,170,916	1,128,286	1,087,252	1,048,602	1,016,498	4 %	15 %
Capital surplus common stock warrant - (CPP)	83,860	83,860	83,860	83,860	-	*	NM
Undivided profits	1,005,244	1,100,462	1,265,073	1,387,854	1,483,184	(9)%	(32)%
Accumulated other comprehensive loss, net	(116,265)	(138,892)	(142,503)	(151,831)	(48,037)	16 %	(142)%
Preferred stock capital surplus - (CPP)	794,630	790,596	786,582	782,680	-	1 %	NM
Noncontrolling interest	295,165	295,165	295,165	295,165	295,277	*	*
<b>Total equity</b>	<b>3,370,209</b>	<b>3,393,982</b>	<b>3,507,676</b>	<b>3,574,632</b>	<b>2,872,918</b>	<b>(1)%</b>	<b>17 %</b>
<b>Total liabilities and equity</b>	<b>\$26,465,852</b>	<b>\$28,758,943</b>	<b>\$31,208,024</b>	<b>\$31,021,980</b>	<b>\$32,804,376</b>	<b>(8)%</b>	<b>(19)%</b>

NM - Not meaningful

\* Amount is less than one percent.

Certain previously reported amounts have been reclassified to agree with current presentation

(a) Includes excess balances held at Fed.

(b) 3Q09 includes \$10.6 million of foreclosed assets related to government insured mortgages

(c) 3Q09 includes \$1.5 billion of FRB Term Auction Facility borrowings.

## CONSOLIDATED AVERAGE AND PERIOD-END LOANS

Quarterly, Unaudited



(Thousands)	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
<b>Average Loans (Net)</b>							
Commercial							
Commercial, financial and industrial	\$7,116,039	\$7,506,773	\$7,781,708	\$7,516,557	\$7,530,724	(5)%	(6)%
Real estate commercial (a)	1,535,943	1,542,081	1,492,906	1,479,582	1,497,773	*	3%
Real estate construction (b)	1,245,618	1,455,626	1,689,863	1,917,647	2,162,817	(14)%	(42)%
Total commercial loans	9,897,600	10,504,480	10,964,477	10,913,786	11,191,314	(6)%	(12)%
Retail							
Real estate residential (c)	7,674,360	7,907,748	8,095,128	8,172,174	8,166,295	(3)%	(6)%
Real estate construction (d)	460,742	672,011	880,537	1,087,752	1,350,092	(31)%	(66)%
Other retail	127,483	131,271	135,537	137,185	138,848	(3)%	(8)%
Credit card receivables	186,765	184,159	184,244	190,189	193,517	1%	(3)%
Real estate loans pledged against other collateralized borrowings (e)	676,339	693,643	709,144	716,925	721,760	(2)%	(6)%
Total retail loans	9,125,689	9,588,832	10,004,590	10,304,225	10,570,512	(5)%	(14)%
Total loans, net of unearned income	\$19,023,289	\$20,093,312	\$20,969,067	\$21,218,011	\$21,761,826	(5)%	(13)%
<b>Period-End Loans (Net)</b>							
Commercial							
Commercial, financial and industrial	\$6,920,916	\$7,400,396	\$7,716,733	\$7,863,727	\$7,642,684	(6)%	(9)%
Real estate commercial (a)	1,537,099	1,506,911	1,501,964	1,454,040	1,492,323	2%	3%
Real estate construction (b)	1,130,710	1,337,330	1,550,158	1,778,140	2,020,455	(15)%	(44)%
Total commercial loans	9,588,725	10,244,637	10,768,855	11,095,907	11,155,462	(6)%	(14)%
Retail							
Real estate residential (c)	7,590,699	7,785,906	8,016,018	8,161,435	8,192,926	(3)%	(7)%
Real estate construction (d)	361,930	557,822	772,982	980,798	1,201,911	(35)%	(70)%
Other retail	124,376	129,848	132,452	135,779	139,441	(4)%	(11)%
Credit card receivables	189,452	186,376	180,282	189,554	194,966	2%	(3)%
Real estate loans pledged against other collateralized borrowings (e)	669,503	681,238	701,888	714,717	717,192	(2)%	(7)%
Total retail loans	8,935,960	9,341,190	9,803,622	10,182,283	10,446,436	(4)%	(14)%
Total loans, net of unearned income	\$18,524,685	\$19,585,827	\$20,572,477	\$21,278,190	\$21,601,898	(5)%	(14)%

\* Amount is less than one percent.

Certain previously reported amounts have been reclassified to agree with current presentation.

- (a) Includes nonconstruction income property loans.
- (b) Includes home builder, condominium, and income property construction loans.
- (c) Includes home equity loans, home equity lines of credit and permanent mortgages.
- (d) Includes one-time close product.
- (e) Includes on balance sheet securitizations of home equity loans.

# CONSOLIDATED AVERAGE BALANCE SHEET

Quarterly, Unaudited



(Thousands)	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
<b>Assets:</b>							
Earning assets:							
Loans, net of unearned income (a)	\$19,023,289	\$20,093,312	\$20,969,067	\$21,218,011	\$21,761,826	(5)%	(13)%
Loans held for sale	470,583	622,799	626,679	650,844	1,950,831	(24)%	(76)%
Investment securities:							
U.S. Treasuries	48,382	48,676	48,593	48,415	47,843	(1)%	1%
U.S. government agencies	2,330,247	2,522,800	2,685,774	2,576,587	2,524,895	(8)%	(8)%
States and municipalities	46,105	53,965	63,425	75,084	31,682	(15)%	46%
Other	313,632	308,690	292,151	282,639	268,939	2%	17%
Total investment securities	2,738,366	2,934,131	3,089,943	2,982,725	2,873,359	(7)%	(5)%
Capital markets securities inventory	857,382	965,581	1,117,165	1,135,270	1,355,501	(11)%	(37)%
Mortgage banking trading securities	123,698	139,584	171,978	242,930	304,278	(11)%	(59)%
Mortgage banking trading securities-divestiture (b)	-	-	-	-	62,131	NM	NM
Other earning assets:							
Federal funds sold and securities purchased under agreements to resell	561,920	652,978	806,704	911,387	1,213,510	(14)%	(54)%
Interest bearing cash (c)	418,549	766,842	656,841	546,732	39,666	(45)%	NM
Total other earning assets	980,469	1,419,820	1,463,545	1,458,119	1,253,176	(31)%	(22)%
Total earning assets	24,193,787	26,175,227	27,438,377	27,687,899	29,561,102	(8)%	(18)%
Allowance for loan losses	(985,785)	(1,008,254)	(889,630)	(741,076)	(619,977)	2%	(59)%
Cash and due from banks	418,382	446,322	482,260	495,500	638,467	(6)%	(34)%
Capital markets receivables	170,915	245,646	269,417	432,614	196,285	(30)%	(13)%
Premises and equipment, net	324,162	326,482	332,241	334,642	339,575	(1)%	(5)%
Other assets	2,726,368	2,744,120	2,834,546	2,839,665	3,219,952	(1)%	(15)%
Other assets-divestiture (b)	-	-	-	-	46,091	NM	NM
Total assets	\$26,847,829	\$28,929,543	\$30,467,211	\$31,049,244	\$33,381,495	(7)%	(20)%
<b>Liabilities and equity:</b>							
Interest-bearing liabilities:							
Interest-bearing deposits:							
Other interest-bearing deposits	\$2,073,658	\$1,842,780	\$1,792,241	\$1,615,764	\$1,724,504	13%	20%
Savings	4,583,064	4,259,822	4,629,345	4,741,073	4,002,907	8%	14%
Time deposits	2,157,904	2,125,493	2,216,411	2,461,921	2,422,189	2%	(11)%
Total interest-bearing core deposits	8,814,626	8,228,095	8,637,997	8,818,758	8,149,600	7%	8%
Certificates of deposit \$100,000 and more	1,384,475	1,520,681	1,507,482	1,491,297	1,839,651	(9)%	(25)%
Federal funds purchased and securities sold under agreements to repurchase							
Capital markets trading liabilities	478,103	492,706	575,446	488,102	708,875	(3)%	(33)%
Other short-term borrowings and commercial paper (d)	1,842,458	3,403,174	4,212,480	5,096,108	6,083,691	(46)%	(70)%
Long-term debt:							
Term borrowings	2,386,129	2,952,438	3,534,657	4,266,510	5,193,319	(19)%	(54)%
Other collateralized borrowings	716,843	731,324	742,491	747,824	756,999	(2)%	(5)%
Total long-term debt	3,102,972	3,683,762	4,277,148	5,014,334	5,950,318	(16)%	(48)%
Total interest-bearing liabilities	18,107,104	19,838,841	21,476,977	22,929,632	25,325,620	(9)%	(29)%
Noninterest-bearing deposits:							
Other noninterest-bearing deposits-divestiture (b)	-	-	-	-	3,038	NM	NM
Capital markets payables	98,099	175,848	198,358	374,368	178,289	(44)%	(45)%
Other liabilities	785,674	856,678	823,929	692,759	827,244	(8)%	(5)%
Other liabilities-divestiture (b)	-	-	-	-	1,397	NM	NM
Equity	3,412,396	3,441,387	3,579,140	3,400,324	3,014,750	(1)%	13%
Total liabilities and equity	\$26,847,829	\$28,929,543	\$30,467,211	\$31,049,244	\$33,381,495	(7)%	(20)%

NM - Not meaningful

Certain previously reported amounts have been reclassified to agree with current presentation.

(a) Includes loans on nonaccrual status.

(b) Associated with the sale of certain mortgage banking operations.

(c) Includes excess balances held at Fed.

(d) In 3Q09, FRB Term Auction Facility borrowings averaged \$1.6 billion

## CONSOLIDATED AVERAGE BALANCE SHEET: INCOME & EXPENSE

Quarterly, Unaudited



(Thousands)	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
<b>Assets:</b>							
Earning assets:							
Loans, net of unearned income (a)	\$185,045	\$197,779	\$205,825	\$254,946	\$281,777	(6)%	(34)%
Loans held for sale	5,820	6,577	7,732	9,821	29,078	(12)%	(80)%
Investment securities:							
U.S. Treasuries	238	229	223	233	250	4%	(5)%
U.S. government agencies	30,553	33,567	37,331	36,565	34,886	(9)%	(12)%
States and municipalities	154	390	371	944	372	(61)%	(59)%
Other	2,603	2,363	2,258	6,080	3,336	10%	(22)%
Total investment securities	33,548	36,549	40,183	43,822	38,844	(8)%	(14)%
Capital markets securities inventory	7,972	9,588	10,198	12,790	15,898	(17)%	(50)%
Mortgage banking trading securities	3,852	4,525	5,500	8,253	11,781	(15)%	(67)%
Other earning assets:							
Federal funds sold and securities							
purchased under agreements to resell	119	242	505	1,493	5,944	(51)%	(98)%
Interest bearing cash	236	461	360	850	253	(49)%	(7)%
Total other earning assets	355	703	865	2,343	6,197	(50)%	(94)%
Total earning assets/interest income	\$236,592	\$255,721	\$270,303	\$331,975	\$383,575	(7)%	(38)%
<b>Liabilities:</b>							
Interest-bearing liabilities:							
Interest-bearing deposits:							
Other interest-bearing deposits	\$1,316	\$896	\$1,068	\$1,552	\$2,849	47%	(54)%
Savings	7,553	8,864	15,404	18,666	17,005	(15)%	(56)%
Time deposits	13,980	16,270	18,243	21,739	22,443	(14)%	(38)%
Total interest-bearing core deposits	22,849	26,030	34,715	41,957	42,297	(12)%	(46)%
Certificates of deposit \$100,000 and more	5,809	7,967	9,459	12,680	15,184	(27)%	(62)%
Federal funds purchased and securities							
sold under agreements to repurchase	1,287	1,295	1,169	2,738	10,696	(1)%	(88)%
Capital markets trading liabilities	4,691	5,265	5,468	5,876	8,304	(11)%	(44)%
Other short-term borrowings and commercial paper	1,362	2,241	3,094	20,164	36,496	(39)%	(96)%
Long-term debt:							
Term borrowings	8,396	12,235	18,085	38,062	41,598	(31)%	(80)%
Other collateralized borrowings	1,065	1,377	1,515	5,129	5,521	(23)%	(81)%
Total long-term debt	9,461	13,612	19,600	43,191	47,119	(30)%	(80)%
Total interest-bearing liabilities/interest expense	\$45,459	\$56,410	\$73,505	\$126,606	\$160,096	(19)%	(72)%
Net interest income-tax equivalent basis	\$191,133	\$199,311	\$196,798	\$205,369	\$223,479	(4)%	(14)%
Fully taxable equivalent adjustment	(232)	(225)	(211)	(421)	(332)	3%	(30)%
Net interest income	\$190,901	\$199,086	\$196,587	\$204,948	\$223,147	(4)%	(14)%

Certain previously reported amounts have been reclassified to agree with current presentation.

Income amounts are adjusted to a fully taxable equivalent. Earning assets income is expressed net of unearned income.

(a) Includes loans on nonaccrual status.

## CONSOLIDATED AVERAGE BALANCE SHEET: YIELDS & RATES

Quarterly, Unaudited



(Thousands)	3Q09	2Q09	1Q09	4Q08	3Q08
<b>Assets:</b>					
Earning assets:					
Loans, net of unearned income (a)	3.86%	3.95%	3.97%	4.78%	5.16%
Loans held for sale	4.95	4.22	4.94	6.04	5.96
Investment securities:					
U.S. Treasuries	1.95	1.89	1.86	1.92	2.08
U.S. government agencies	5.24	5.32	5.56	5.68	5.53
States and municipalities	1.34	2.89	2.34	5.03	4.70
Other	3.32	3.06	3.09	8.60	4.96
Total investment securities	4.90	4.98	5.20	5.88	5.41
Capital markets securities inventory	3.72	3.97	3.65	4.51	4.69
Mortgage banking trading securities	12.46	12.97	12.79	13.59	12.86
Other earning assets:					
Federal funds sold and securities purchased under agreements to resell	.08	.15	.25	.65	1.95
Interest bearing cash	.22	.24	.22	.62	2.54
Total other earning assets	.14	.20	.24	.64	1.97
Total earning assets/interest income	3.89%	3.91%	3.98%	4.78%	5.17%
<b>Liabilities:</b>					
Interest-bearing liabilities:					
Interest-bearing deposits:					
Other interest-bearing deposits	.25%	.20%	.24%	.38%	.66%
Savings	.65	.83	1.35	1.57	1.69
Time deposits	2.57	3.07	3.34	3.51	3.69
Total interest-bearing core deposits	1.03	1.27	1.63	1.89	2.06
Certificates of deposit \$100,000 and more	1.66	2.10	2.54	3.38	3.28
Federal funds purchased and securities sold under agreements to repurchase					
Capital markets trading liabilities	3.89	4.29	3.85	4.79	4.66
Other short-term borrowings and commercial paper	.29	.26	.30	1.57	2.39
Long-term debt:					
Term borrowings	1.41	1.66	2.05	3.57	3.21
Other collateralized borrowings	.59	.75	.82	2.74	2.92
Total long-term debt	1.22	1.48	1.83	3.45	3.17
Total interest-bearing liabilities/interest expense	1.00%	1.14%	1.38%	2.20%	2.52%
Net interest spread	2.89%	2.77%	2.60%	2.58%	2.65%
Effect of interest-free sources used to fund earning assets					
Net interest margin	3.14%	3.05%	2.89%	2.96%	3.01%

Certain previously reported amounts have been reclassified to agree with current presentation.

Yields are adjusted to a fully taxable equivalent.

Earning assets yields are expressed net of unearned income.

Rates are expressed net of unamortized debenture cost for long-term debt.

Net interest margin is computed using total net interest income.

(a) Includes loans on nonaccrual status.

## MORTGAGE SERVICING RIGHTS

Quarterly, Unaudited



(Thousands)	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
<b>First Liens</b>							
Fair value beginning balance	\$318,937	\$361,343	\$354,394	\$770,635	\$1,111,204	(12)%	(71)%
Addition of mortgage servicing rights	-	-	189	1,073	61,501		
Reductions due to loan payments	(12,265)	(18,513)	(17,480)	(10,771)	(22,179)		
Reductions due to sale	-	(77,591)	-	(52,006)	(317,640)		
Reclassification from trading securities	11,077	-	-	-	-		
Changes in fair value due to:							
Changes in valuation model inputs or assumptions (a)	(36,724)	52,590	26,740	(354,558)	(63,061)		
Other changes in fair value	20	1,108	(2,500)	21	810		
Fair value ending balance	\$281,045	\$318,937	\$361,343	\$354,394	\$770,635	(12)%	(64)%
<b>Second Liens</b>							
Fair value beginning balance	\$10,007	\$11,029	\$13,558	\$17,513	\$18,138	(9)%	(45)%
Addition of mortgage servicing rights	-	-	-	-	-		
Reductions due to loan payments	(441)	(1,136)	(2,524)	(1,517)	(614)		
Reductions due to sale	(8,134)	-	-	-	-		
Changes in fair value due to:							
Changes in valuation model inputs or assumptions (a)	-	6	(5)	(2,438)	(14)		
Other changes in fair value	418	108	-	-	3		
Fair value ending balance	\$1,850	\$10,007	\$11,029	\$13,558	\$17,513	(82)%	(89)%
<b>HELOC</b>							
Fair value beginning balance	\$8,152	\$8,652	\$8,892	\$10,343	\$10,053	(6)%	(19)%
Addition of mortgage servicing rights	-	-	11	43	43		
Reductions due to loan payments	(510)	(776)	(419)	(432)	(483)		
Reductions due to sale	(1,548)	-	-	-	-		
Changes in fair value due to:							
Changes in valuation model inputs or assumptions (a)	-	-	-	(1,401)	-		
Other changes in fair value	293	276	168	339	730		
Fair value ending balance	\$6,387	\$8,152	\$8,652	\$8,892	\$10,343	(22)%	(38)%
<b>Total Consolidated</b>							
Fair value beginning balance	\$337,096	\$381,024	\$376,844	\$798,491	\$1,139,395	(12)%	(70)%
Addition of mortgage servicing rights	-	-	200	1,116	61,544		
Reductions due to loan payments	(13,216)	(20,425)	(20,423)	(12,720)	(23,276)		
Reductions due to sale	(9,682)	(77,591)	-	(52,006)	(317,640)		
Reclassification from trading securities	11,077	-	-	-	-		
Changes in fair value due to:							
Changes in valuation model inputs or assumptions (a)	(36,724)	52,596	26,735	(358,397)	(63,075)		
Other changes in fair value	731	1,492	(2,332)	360	1,543		
Fair value ending balance	\$289,282	\$337,096	\$381,024	\$376,844	\$798,491	(14)%	(64)%

Certain previously reported amounts have been reclassified to agree with current presentation.

(a) Principally reflects changes in discount rates and prepayment speed assumptions, mostly due to changes in interest rates.

## BUSINESS SEGMENT HIGHLIGHTS

Quarterly, Unaudited



(Thousands)	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
<b>Regional Banking</b>							
Total revenues (a)	\$205,379	\$206,843	\$199,315	\$210,117	\$216,201	(1)%	(5)%
Provision for loan losses	63,066	51,024	97,818	105,825	58,200	24 %	8 %
Noninterest expenses	169,810	168,425	168,239	163,046	153,926	1 %	10 %
Income/(loss) before income taxes	(27,497)	(12,606)	(66,742)	(58,754)	4,075	(118)%	NM
Provision/(benefit) for income taxes	(10,474)	(4,809)	(25,206)	(22,234)	1,454	(118)%	NM
Net income/(loss) from continuing operations	(17,023)	(7,797)	(41,536)	(36,520)	2,621	(118)%	NM
Income from discontinued operations, net of tax	-	548	-	-	1	NM	NM
Net income/(loss)	\$(17,023)	\$(7,249)	\$(41,536)	\$(36,520)	\$2,622	(135)%	NM
<b>Capital Markets</b>							
Total revenues (a)	\$151,117	\$206,411	\$232,196	\$186,271	\$109,017	(27)%	39 %
Provision for loan losses	54,196	21,104	14,009	8,108	38,451	157 %	41 %
Noninterest expenses	86,555	105,045	142,457	104,632	76,215	(18)%	14 %
Income/(loss) before income taxes	10,366	80,262	75,730	73,531	(5,649)	(87)%	NM
Provision/(benefit) for income taxes	3,840	30,170	28,466	27,580	(2,264)	(87)%	NM
Net income/(loss) from continuing operations	6,526	50,092	47,264	45,951	(3,385)	(87)%	NM
Income/(loss) from discontinued operations, net of tax	(1,189)	(800)	(611)	531	(1,496)	(49)%	21 %
Net income/(loss)	\$5,337	\$49,292	\$46,653	\$46,482	\$(4,881)	(89)%	NM
<b>Corporate</b>							
Total revenues (a)	\$33,902	\$17,879	\$5,373	\$2,839	\$6,934	90 %	NM
Noninterest expenses	17,219	24,819	17,366	2,340	40,846	(31)%	(58)%
Income/(loss) before income taxes	16,683	(6,940)	(11,993)	499	(33,912)	NM	149 %
Provision/(benefit) for income taxes	6,237	(8,996)	(9,663)	463	(21,899)	169 %	128 %
Net income/(loss) from continuing operations	10,446	2,056	(2,330)	36	(12,013)	NM	187 %
Loss from discontinued operations, net of tax	(9,011)	(56)	(37)	(89)	(254)	NM	NM
Net income/(loss)	\$1,435	\$2,000	\$(2,367)	\$(53)	\$(12,267)	(28)%	112 %
<b>Mortgage Banking</b>							
Total revenues (a)	\$68,592	\$30,026	\$132,203	\$95,824	\$137,746	128 %	(50)%
Provision/(benefit) for loan losses	(11,792)	11,523	(408)	22,018	2,878	NM	NM
Noninterest expenses	48,128	63,179	47,857	39,664	90,485	(24)%	(47)%
Income/(loss) before income taxes	32,256	(44,676)	84,754	34,142	44,383	172 %	(27)%
Provision/(benefit) for income taxes	12,154	(16,835)	31,936	12,865	16,723	172 %	(27)%
Net income/(loss)	\$20,102	\$(27,841)	\$52,818	\$21,277	\$27,660	172 %	(27)%
<b>National Specialty Lending</b>							
Total revenues (a)	\$35,729	\$22,110	\$26,846	\$36,264	\$49,322	62 %	(28)%
Provision for loan losses	79,530	176,349	188,581	144,049	240,471	(55)%	(67)%
Noninterest expenses	28,189	41,018	31,884	24,887	26,043	(31)%	8 %
Loss before income taxes	(71,990)	(195,257)	(193,619)	(132,672)	(217,192)	63 %	67 %
Benefit for income taxes	(27,125)	(73,573)	(72,956)	(49,991)	(81,838)	63 %	67 %
Net loss	\$(44,865)	\$(121,684)	\$(120,663)	\$(82,681)	\$(135,354)	63 %	67 %
<b>Total Consolidated</b>							
Total revenues (a)	\$494,719	\$483,269	\$595,933	\$531,315	\$519,220	2 %	(5)%
Provision for loan losses	185,000	260,000	300,000	280,000	340,000	(29)%	(46)%
Noninterest expenses	349,901	402,486	407,803	334,569	387,515	(13)%	(10)%
Loss before income taxes	(40,182)	(179,217)	(111,870)	(83,254)	(208,295)	78 %	81 %
Benefit for income taxes	(15,368)	(74,043)	(47,423)	(31,317)	(87,824)	79 %	83 %
Net loss from continuing operations	(24,814)	(105,174)	(64,447)	(51,937)	(120,471)	76 %	79 %
Income/(loss) from discontinued operations, net of tax	(10,200)	(308)	(648)	442	(1,749)	NM	NM
Net loss	\$(35,014)	\$(105,482)	\$(65,095)	\$(51,495)	\$(122,220)	67 %	71 %

NM - Not meaningful

\* Amount is less than one percent.

Certain previously reported amounts have been reclassified to agree with current presentation.

(a) Includes noninterest income and net interest income.

## REGIONAL BANKING

Quarterly, Unaudited



(Thousands)	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
<b>Income Statement</b>							
Net interest income	\$124,010	\$125,471	\$122,999	\$127,398	\$128,170	(1)%	(3)%
Noninterest income	81,369	81,372	76,316	82,719	88,031	*	(8)%
Total revenues	205,379	206,843	199,315	210,117	216,201	(1)%	(5)%
Total noninterest expense	169,810	168,425	168,239	163,046	153,926	1%	10%
Provision for loan losses	63,066	51,024	97,818	105,825	58,200	24%	8%
Income/(loss) before income taxes	\$(27,497)	\$(12,606)	\$(66,742)	\$(58,754)	\$4,075	(118)%	NM
Efficiency ratio	82.68%	81.43%	84.41%	77.60%	71.20%		
<b>Balance Sheet (millions)</b>							
Average loans	\$10,164	\$10,517	\$10,885	\$10,896	\$10,913	(3)%	(7)%
Other earning assets	76	156	203	164	65	(51)%	17%
Total earning assets	10,240	10,673	11,088	11,060	10,978	(4)%	(7)%
Core deposits	10,484	10,336	10,250	9,753	9,564	1%	10%
Other deposits	874	1,010	996	978	976	(13)%	(10)%
Total deposits	11,358	11,346	11,246	10,731	10,540	*	8%
Total period end deposits	11,223	11,447	11,493	10,993	10,621	(2)%	6%
Total period end assets	\$10,536	\$10,810	\$11,418	\$11,886	\$12,181	(3)%	(14)%
Net interest margin	4.80%	4.72%	4.50%	4.58%	4.64%		
Loan yield	3.91	3.92	3.93	5.01	5.18		
Deposit average yield	0.92	1.10	1.46	1.75	1.65		
<b>Noninterest Income Detail</b>							
Deposit transactions and cash mgmt	\$40,160	\$40,186	\$37,438	\$42,388	\$44,470	*	(10)%
Insurance commissions	6,256	6,595	6,966	7,027	7,160	(5)%	(13)%
Trust services and investment mgmt	7,368	7,672	6,840	7,697	8,192	(4)%	(10)%
Bankcard income	4,448	4,325	4,129	4,416	4,706	3%	(5)%
Other service charges	3,595	4,011	3,485	3,500	3,556	(10)%	1%
Miscellaneous revenue	19,542	18,583	17,458	17,691	19,947	5%	(2)%
Total noninterest income	\$81,369	\$81,372	\$76,316	\$82,719	\$88,031	*	(8)%
<b>Key Statistics</b>							
Locations							
Financial centers	183	200	202	202	200	(9)%	(9)%
Full service	168	168	168	169	166	*	1%
Teller-only (a)	15	32	34	33	34	(53)%	(56)%
Trust Assets							
Total assets (millions)	\$9,705	\$9,017	\$8,872	\$9,606	\$11,015	8%	(12)%
Total managed assets (millions)	4,736	4,508	4,467	4,664	5,089	5%	(7)%

NM - Not meaningful

\* Amount is less than one percent.

Certain previously reported amounts have been reclassified to agree with current presentation.

(a) Teller-only financial centers decreased in 3Q09 as 17 in-store branches were closed.

## CAPITAL MARKETS

Quarterly, Unaudited



(Thousands)	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
<b>Income Statement</b>							
Net interest income							
Correspondent Banking	\$13,681	\$16,186	\$14,750	\$12,810	\$12,422	(15)%	10%
Capital Markets	6,560	8,732	9,279	7,827	7,181	(25)%	(9)%
Total net interest income	20,241	24,918	24,029	20,637	19,603	(19)%	3%
Noninterest income:							
Fixed income	120,528	170,106	196,985	156,522	80,104	(29)%	50%
Other	10,348	11,387	11,182	9,112	9,310	(9)%	11%
Total noninterest income	130,876	181,493	208,167	165,634	89,414	(28)%	46%
Total revenues	151,117	206,411	232,196	186,271	109,017	(27)%	39%
Noninterest expense	86,555	105,045	142,457	104,632	76,215	(18)%	14%
Provision for loan losses	54,196	21,104	14,009	8,108	38,451	157%	41%
Income/(loss) before income taxes	\$10,366	\$80,262	\$75,730	\$73,531	\$(5,649)	(87)%	NM
Efficiency ratio	57.28%	50.89%	61.35%	56.17%	69.91%		
Fixed income average daily revenue	\$1,883	\$2,700	\$3,229	\$2,525	\$1,252	(30)%	50%
<b>Balance Sheet (millions)</b>							
Trading inventory	\$857	\$966	\$1,117	\$1,135	\$1,356	(11)%	(37)%
Average loans	1,857	2,010	1,962	1,720	1,759	(8)%	6%
Other earning assets	622	720	874	980	1,276	(14)%	(51)%
Total earning assets	3,336	3,696	3,953	3,835	4,391	(10)%	(24)%
Total period end assets	\$4,101	\$4,921	\$5,219	\$5,051	\$5,960	(17)%	(31)%
Net interest margin:							
Correspondent Banking	4.11%	4.35%	4.03%	3.59%	3.12%		
Capital Markets	1.29	1.59	1.52	1.29	1.02		
Total Capital Markets	2.41	2.70	2.47	2.14	1.78		

NM - Not meaningful

\* Amount is less than one percent.

Certain previously reported amounts have been reclassified to agree with current presentation.

**CORPORATE**

Quarterly, Unaudited



(Thousands)	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
<b>Income Statement</b>							
Net interest income	\$9,225	\$6,745	\$5,012	\$7,704	\$4,751	37%	94%
Noninterest income/(loss)	24,612	11,464	363	(6,211)	2,393		
Securities gains/(losses), net	65	(330)	(2)	1,346	(210)	120%	131%
Total revenues	33,902	17,879	5,373	2,839	6,934	90%	NM
Noninterest expense	17,219	24,819	17,366	2,340	40,846	(31)%	(58)%
Income/(loss) before income taxes	\$16,683	\$ (6,940)	\$ (11,993)	\$ 499	\$ (33,912)	NM	149%
<b>Average Balance Sheet (millions)</b>							
Total earning assets	\$3,039	\$3,600	\$3,489	\$3,329	\$2,835	(16)%	7%
Net interest margin	1.20%	.75%	.58%	.92%	.67%		

NM - Not meaningful

\* Amount is less than one percent.

Certain previously reported amounts have been reclassified to agree with current presentation.

## MORTGAGE BANKING

Quarterly, Unaudited



(Thousands)	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
<b>Income Statement</b>							
Net interest income	\$7,817	\$10,792	\$11,003	\$12,385	\$25,423	NM	NM
Noninterest income							
Net origination fees (a)	9,687	(1,263)	14,454	(14,383)	19,828	NM	NM
Net servicing fees	48,422	15,456	101,202	99,402	80,603	NM	NM
Other fees	2,666	5,041	5,544	(1,580)	11,892	NM	NM
Total noninterest income	60,775	19,234	121,200	83,439	112,323	NM	NM
Total revenues	68,592	30,026	132,203	95,824	137,746	NM	NM
Noninterest expense	48,128	63,179	47,857	39,664	90,485	NM	NM
Provision/(benefit) for loan losses	(11,792)	11,523	(408)	22,018	2,878	NM	NM
Income/(loss) before income taxes	\$32,256	\$(44,676)	\$84,754	\$34,142	\$44,383	NM	NM
<b>Average Balance Sheet (millions)</b>							
Warehouse	\$366	\$433	\$430	\$489	\$1,810	NM	NM
Trading securities	118	132	164	235	359	NM	NM
Mortgage servicing rights	312	309	396	633	1,003	NM	NM
Permanent mortgages & other assets	1,072	1,075	1,267	1,046	1,363	NM	NM
Total assets	1,868	1,949	2,257	2,403	4,535	NM	NM
Escrow balances	766	1,021	1,165	725	989	NM	NM
Net interest margin	2.66%	3.42%	3.18%	3.22%	3.45%		
Warehouse spread	NM	NM	NM	NM	3.83%		
<b>Noninterest Expense Detail</b>							
Salaries and benefits	1,367	2,277	30	(1,468)	41,523	NM	NM
Contract labor and outsourcing	4,995	5,224	7,247	7,381	5,207		
Equipment and occupancy	830	889	945	3,448	8,882		
Foreclosure and repurchase provision	25,751	29,098	12,267	2,752	849		
Other expenses	13,415	22,997	25,102	25,157	29,572		
Segment allocations	1,770	2,694	2,266	2,394	4,453	NM	NM
Total noninterest expense	\$48,128	\$63,179	\$47,857	\$39,664	\$90,486	NM	NM
<b>Warehouse/Pipeline (millions)</b>							
Ending Warehouse Balance	\$369	\$389	\$442	\$408	\$541	NM	NM
<b>Production (millions)</b>							
First lien production	\$234	\$445	\$408	\$88	\$3,107	NM	NM

NM - Not meaningful due to Mortgage sale in 3Q08

Certain previously reported amounts have been reclassified to agree with current presentation.

(a) 3Q09 includes \$5 million positive mortgage warehouse fair value adjustment.

**MORTGAGE BANKING: SERVICING**

Quarterly, Unaudited



(Thousands)	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
<b>Servicing Income</b>							
Gross service fees	\$30,775	\$32,781	\$40,120	\$47,810	\$57,326		
Guarantee fees	(4,291)	(4,752)	(6,884)	(7,626)	(11,073)		
Sub-Service fee income	-	-	-	103	394		
Lender paid MI	-	-	-	5	(1,029)		
Net service fees	26,484	28,029	33,236	40,292	45,618	(6)%	(42)%
Early payoff interest expense	(979)	(3,788)	(3,716)	(1,562)	(1,733)		
Ancillary fees	4,143	3,493	5,511	5,949	5,994		
Total service fees	29,648	27,734	35,031	44,679	49,879	7%	(41)%
Change in MSR value - runoff	(12,009)	(18,432)	(18,559)	(9,899)	(20,091)	35%	40%
Net hedging results:							
Change in MSR value - other than runoff	(30,682)	44,232	27,282	(327,310)	(39,180)		
MSR hedge gains/(losses)	59,625	(40,047)	25,112	385,354	91,804		
Change in trading asset value	(1,951)	20,814	18,339	(99,354)	(11,198)		
Trading asset hedge gains/(losses)	3,791	(18,845)	13,997	108,742	21,505		
Option expense on servicing hedges	-	-	-	(2,811)	(12,116)		
Total net hedging results	30,783	6,154	84,730	64,621	50,815	NM	(39)%
Total servicing income	\$48,422	\$15,456	\$101,202	\$99,401	\$80,603	NM	(40)%

**Key Servicing Metrics (millions)**

Beginning servicing portfolio	\$43,834	\$60,182	\$63,661	\$65,346	\$98,385		
Additions to portfolio, net of REO transfers	(385)	(246)	(352)	(83)	3,107		
Prepayments	(1,407)	(2,396)	(3,146)	(1,146)	(1,350)		
Amortization	(284)	(300)	-	(420)	(550)		
Service release sales	-	(65)	19	(31)	(117)		
Bulk sale	-	(13,341)	-	(5)	(34,129)		
Ending servicing portfolio (owned)	\$41,758	\$43,834	\$60,182	\$63,661	\$65,346	(5)%	(36)%
Average servicing portfolio (owned)	\$42,359	\$44,929	\$55,200	\$64,550	\$81,130	(6)%	(48)%
Average loans serviced (#)	222,223	234,004	295,326	351,157	450,651	(5)%	(51)%

**Portfolio Product Mix (Average)**

GNMA	3%	3%	3%	3%	5%		
FNMA/FHLMC	46%	47%	51%	58%	64%		
Private	48%	47%	45%	38%	30%		
Sub-Total	97%	97%	99%	99%	99%		
Warehouse	3%	3%	1%	1%	1%		
Total	100%	100%	100%	100%	100%		

**Other Portfolio Statistics**

Net service fees - annualized (bps)	25	25	24	25	23		
Total service fees - annualized (bps)	28	25	25	28	25		
Ancillary income per loan (annualized)	\$74.57	\$59.70	\$74.64	\$67.77	\$53.20	25%	40%
Servicing cost per loan (annualized)	\$110.66	\$81.80	\$94.25	\$79.80	\$62.46	35%	77%
Average servicing asset (millions)	312	293	395	632	1,002		
Servicing book value (bps)	74	65	72	98	124		
90+ Delinquency rate, excluding foreclosures	8.38%	7.04%	6.14%	3.47%	2.58%		
Change in MSR asset /							
Average servicing asset	22%	19%	28%	(105)%	(13)%		
Run-off rate - annualized	10%	17%	23%	10%	10%		

NM - Not meaningful

\* Amount is less than one percent.

Certain previously reported amounts have been reclassified to agree with current presentation.

## NATIONAL SPECIALTY LENDING

Quarterly, Unaudited



(Thousands)	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
<b>Income Statement</b>							
Net interest income	\$29,608	\$31,160	\$33,544	\$36,825	\$45,200	(5)%	(34)%
Noninterest income/(loss)	6,121	(9,050)	(6,698)	(561)	4,122	168%	48%
Total revenues	35,729	22,110	26,846	36,264	49,322	62%	(28)%
Total noninterest expense	28,189	41,018	31,884	24,887	26,043	(31)%	8%
Provision for loan losses	79,530	176,349	188,581	144,049	240,471	(55)%	(67)%
Income/(loss) before income taxes	\$(71,990)	\$(195,257)	\$(193,619)	\$(132,672)	\$(217,192)	63%	67%
<b>Balance Sheet (millions)</b>							
Average loans	\$6,407	\$6,928	\$7,484	\$7,922	\$8,415	(8)%	(24)%
Total deposits	109	129	134	140	181	(16)%	(40)%
Net interest margin	1.83%	1.80%	1.82%	1.85%	2.13%		
Loan yield	3.62	3.61	3.66	4.17	4.86		
Deposit average yield	0.65	0.84	0.96	1.23	1.48		

NM - Not meaningful

\* Amount is less than one percent.

Certain previously reported amounts have been reclassified to agree with current presentation.

## CAPITAL HIGHLIGHTS

Quarterly, Unaudited



(Dollars in millions, except per share amounts)	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
Tier 1 capital (a)	\$3,563.7	\$3,596.3	\$3,709.0	\$3,784.2	\$2,934.0	(1)%	21%
Tier 2 capital (a)	1,191.4	1,205.5	1,295.6	1,299.5	1,313.7	(1)%	(9)%
Total capital (a)	\$4,755.1	\$4,801.8	\$5,004.6	\$5,083.7	\$4,247.7	(1)%	12%
Risk weighted assets (a)	\$22,003.3	\$23,123.4	\$24,771.8	\$25,185.4	\$26,427.2	(5)%	(17)%
Tier 1 ratio (a)	16.20%	15.55%	14.97%	15.03%	11.10%		
Tier 2 ratio (a)	5.41	5.22	5.23	5.15	4.97		
Total capital ratio (a)	21.61%	20.77%	20.20%	20.18%	16.07%		
Tier 1 common ratio (a) (b)	9.88%	9.56%	9.40%	9.56%	8.85%		
Leverage ratio (a)	13.35%	12.49%	12.23%	12.22%	8.84%		
Shareholders' equity/assets ratio (c)	12.73%	11.80%	11.24%	11.52%	8.76%		
Adjusted tangible common equity/RWA (a) (b) (d)	9.06	8.71	8.61	8.80	8.78		
Tangible common equity/tangible assets (b)	7.85	7.27	7.07	7.34	7.18		
Tangible book value per common share (b) (e)	\$9.43	\$9.49	\$10.03	\$10.39	\$10.75		
Book value per common share (e)	\$10.43	\$10.56	\$11.11	\$11.48	\$11.85		

NM - Not meaningful

\* Amount is less than one percent.

Certain previously reported amounts have been reclassified to agree with current presentation.

(a) Current quarter is an estimate.

(b) Refer to the Non-GAAP to GAAP Reconciliation on page 34 of this financial supplement.

(c) Calculated on period-end balances.

(d) See Glossary of Terms for definition of ratios.

(e) Shares restated for stock dividends distributed through October 1, 2009.

**ASSET QUALITY: CONSOLIDATED**

Quarterly, Unaudited



(Thousands)	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
<b>Allowance for Loan Losses Walk-Forward</b>							
Beginning reserve	\$961,482	\$940,932	\$849,210	\$760,456	\$575,149	2%	67%
Provision	185,000	260,000	300,000	280,000	340,000	(29)%	(46)%
Charge-offs	(212,561)	(250,330)	(217,161)	(199,075)	(160,200)	(15)%	33%
Recoveries	10,844	10,880	8,883	7,829	5,507	*	97%
Ending balance	\$944,765	\$961,482	\$940,932	\$849,210	\$760,456	(2)%	24%
Reserve for off-balance sheet commitments	20,308	22,823	19,511	18,752	19,109	(11)%	6%
Total allowance for loan losses plus reserve	\$965,073	\$984,305	\$960,443	\$867,962	\$779,565	(2)%	24%
<b>Allowance for Loan Losses</b>							
Regional Banking	\$365,723	\$340,199	\$348,435	\$311,399	\$269,397	8%	36%
Capital Markets	100,130	79,309	72,001	63,554	63,654	26%	57%
National Specialty Lending	464,833	512,131	495,936	446,254	420,220	(9)%	11%
Mortgage Banking	14,079	29,843	24,560	28,003	7,185	(53)%	96%
Total allowance for loan losses	\$944,765	\$961,482	\$940,932	\$849,210	\$760,456	(2)%	24%
<b>Non-Performing Assets</b>							
Regional Banking							
Nonperforming loans	\$252,763	\$213,201	\$193,191	\$163,933	\$133,138	19%	90%
Foreclosed real estate	16,189	29,410	31,305	31,665	32,078	(45)%	(50)%
Total Regional Banking	268,952	242,611	224,496	195,598	165,216	11%	63%
Capital Markets							
Nonperforming loans	103,463	70,994	40,383	27,339	27,284	46%	NM
Foreclosed real estate	1,516	596	641	600	600	154%	153%
Total Capital Markets	104,979	71,590	41,024	27,939	27,884	47%	NM
National Specialty Lending							
Nonperforming loans	662,695	764,672	845,964	834,042	718,624	(13)%	(8)%
Foreclosed real estate	60,605	50,386	64,586	52,725	57,251	20%	6%
Total National Specialty Lending	723,300	815,058	910,550	886,767	775,875	(11)%	(7)%
Mortgage Banking							
Nonperforming loans - including held for sale (a)	100,799	78,090	53,569	28,335	20,930	29%	NM
Foreclosed real estate	22,459	25,728	22,514	19,318	25,589	(13)%	(12)%
Total Mortgage Banking	123,258	103,818	76,083	47,653	46,519	19%	165%
Total nonperforming assets	\$1,220,489	\$1,233,077	\$1,252,153	\$1,157,957	\$1,015,494	(1)%	20%
<b>Net Charge-Offs</b>							
Regional Banking	\$37,542	\$59,262	\$60,791	\$63,822	\$29,310	(37)%	28%
Capital Markets	33,374	13,795	5,563	8,207	17,543	142%	90%
National Specialty Lending	126,833	160,152	138,889	118,017	107,462	(21)%	18%
Mortgage Banking	3,969	6,240	3,035	1,200	378	(36)%	NM
Total net charge-offs	\$201,718	\$239,449	\$208,278	\$191,246	\$154,693	(16)%	30%
<b>Consolidated Key Ratios (b)</b>							
NPL %	5.87%	5.64%	5.44%	4.91%	4.12%		
NPA %	6.38	6.15	5.98	5.38	4.63		
Net charge-offs %	4.24	4.77	3.97	3.61	2.84		
Allowance / loans	5.10	4.91	4.57	3.99	3.52		
Allowance to loans excluding insured loans	5.21	5.03	4.69	4.11	3.63		
Allowance / NPL	0.87x	0.87x	0.84x	0.81x	0.85x		
Allowance / NPA	0.80x	0.79x	0.76x	0.74x	0.76x		
Allowance / Charge-offs	1.17x	1.00x	1.13x	1.11x	1.23x		
<b>Other</b>							
Loans past due 90 days or more (c)	\$173,634	\$182,468	\$250,801	\$133,067	\$119,588	(5)%	45%
Guaranteed portion (c)	42,271	36,379	40,205	42,478	50,419	16%	(16)%
Foreclosed real estate from GNMA loans	10,619	10,464	13,607	21,230	35,943	1%	(70)%
Period-end loans, net of unearned income (millions)	\$18,525	\$19,586	\$20,572	\$21,278	\$21,602	(5)%	(14)%
Insured loans (millions)	399	466	528	591	652	(14)%	(39)%
Total loans excluding insured loans (millions)	\$18,126	\$19,119	\$20,044	\$20,687	\$20,950	(5)%	(13)%
Off-balance sheet commitments (millions) (d)	\$5,537	\$5,882	\$6,077	\$6,442	\$6,746	(6)%	(18)%

Certain previously reported amounts have been reclassified to agree with current presentation.

NM - Not meaningful

\* Amount is less than one percent

(a) 3Q09 includes \$68,507 of loans held-to-maturity

(b) See Glossary of Terms for definitions of Consolidated Key Ratios

(c) Includes loans held for sale.

(d) Amount of off-balance sheet commitments for which a reserve has been provided

**ASSET QUALITY: CONSOLIDATED**

Quarterly, Unaudited



	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
<b>Key Portfolio Details</b>							
<b>Commercial (C&amp;I and Other)</b>							
Period-end loans (\$ millions)	\$6,899	\$7,381	\$7,676	\$7,806	\$7,618	(7)%	(9)%
30+ Delinq. % (a)	1.25%	.82%	1.53%	.53%	1.15%		
NPL %	2.13	1.52	1.35	1.03	1.05		
Charge-offs % (qtr. annualized)	2.48	1.43	1.55	2.21	1.64		
Allowance / loans %	3.78%	3.40%	2.97%	2.46%	2.29%		
Allowance / charge-offs	1.48x	2.35x	1.89x	1.16x	1.41x		
<b>Income CRE (Income-producing Commercial Real Estate)</b>							
Period-end loans (\$ millions)	\$1,845	\$1,871	\$1,938	\$1,988	\$2,038	(1)%	(9)%
30+ Delinq. % (a)	2.19%	2.82%	4.23%	2.42%	3.47%		
NPL %	10.87	8.67	6.30	5.02	3.72		
Charge-offs % (qtr. annualized)	3.46	6.40	3.36	2.73	.24		
Allowance / loans %	8.29%	5.77%	5.21%	4.71%	3.73%		
Allowance / charge-offs	2.37x	0.87x	1.53x	1.70x	15.48x		
<b>Residential CRE (Homebuilder and Condominium Construction)</b>							
Period-end loans (\$ millions)	\$835	\$986	\$1,133	\$1,288	\$1,480	(15)%	(44)%
30+ Delinq. % (a)	4.15%	5.29%	10.43%	3.74%	5.73%		
NPL %	42.35	39.44	36.34	30.71	23.64		
Charge-offs % (qtr. annualized)	13.41	17.22	18.10	15.79	11.95		
Allowance / loans %	9.17%	9.87%	8.59%	8.25%	7.55%		
Allowance / charge-offs	0.62x	0.53x	0.44x	0.49x	0.58x		
<b>Consumer Real Estate (Home Equity Installment and HELOC)</b>							
Period-end loans (\$ millions)	\$7,148	\$7,356	\$7,609	\$7,749	\$7,830	(3)%	(9)%
30+ Delinq. % (a)	2.28%	2.12%	2.01%	1.97%	1.49%		
NPL %	.14	.08	.07	.07	.07		
Charge-offs % (qtr. annualized)	3.04	3.01	2.38	1.81	1.41		
Allowance / loans %	3.21%	3.04%	3.06%	2.35%	1.58%		
Allowance / charge-offs	1.04x	0.99x	1.27x	1.29x	1.12x		
<b>OTC (Consumer Residential Construction Loans)</b>							
Period-end loans (\$ millions)	\$362	\$558	\$773	\$981	\$1,202	(35)%	(70)%
30+ Delinq. % (a)	4.00%	7.90%	2.82%	4.43%	4.92%		
NPL %	77.37	64.06	55.19	43.03	28.94		
Charge-offs % (qtr. annualized)	29.87	30.53	21.10	14.80	12.29		
Allowance / loans %	30.21%	29.46%	23.74%	20.44%	20.16%		
Allowance / charge-offs	0.79x	0.80x	0.99x	1.25x	1.46x		
<b>Permanent Mortgage</b>							
Period-end loans (\$ millions)	\$1,113	\$1,112	\$1,109	\$1,127	\$1,080	*	3%
30+ Delinq. % (a)	8.09%	9.44%	10.11%	6.94%	7.38%		
NPL %	8.65	6.97	4.48	3.73	2.94		
Charge-offs % (qtr. annualized)	6.27	7.97	3.47	.57	.22		
Allowance / loans %	9.06%	8.85%	7.06%	4.76%	1.17%		
Allowance / charge-offs	1.46x	1.08x	2.04x	8.59x	5.48x		
<b>Credit Card and Other</b>							
Period-end loans (\$ millions)	\$323	\$323	\$335	\$339	\$354	*	(9)%
30+ Delinq. % (a)	2.13%	2.08%	2.33%	2.47%	2.08%		
NPL %	-	-	-	-	-		
Charge-offs % (qtr. annualized)	5.00	6.57	4.81	5.09	5.30		
Allowance / loans %	4.57%	5.91%	6.04%	6.35%	5.52%		
Allowance / charge-offs	0.91x	0.90x	1.26x	1.24x	1.06x		

\* Amount is less than one percent

Certain previously reported amounts have been reclassified to agree with current presentation.

(a) 30+ Delinquency % includes all accounts delinquent more than one month and still accruing interest.

## Analysis of Individually Impaired Loans, ORE, and NPL Rollforward

Unaudited



(\$ in millions)

### Commercial Portfolio

#### Reserves

Individually impaired loans with reserves  
Individually impaired loans without reserves  
All other loans  
Total

	Reserves	Balances	%
Individually impaired loans with reserves	\$12.5	\$44.2	28.28%
Individually impaired loans without reserves	-	559.8	-
All other loans	477.7	8,975.7	5.32%
<b>Total</b>	<b>\$490.2</b>	<b>\$9,579.7</b>	<b>5.12%</b>

### NRV Assessment of Commercial Individually Impaired Assets with no Reserves

	#	Appraised Value	Legal Balance	Cumulative C/O	Book Balance	Book Bal / Appraised Val
Individually impaired assets with no reserves	187	\$890.8	\$842.1	\$282.3	\$559.8	62.8%

### ORE Inventory Rollforward (a)

	3Q09	2Q09	1Q09	4Q08	3Q08
Beginning Balance	\$106.1	\$119.0	\$104.3	\$115.5	\$106.1
Valuation adjustments	(10.4)	(12.6)	(6.8)	(1.6)	(1.4)
Adjusted Balance	\$95.7	\$106.4	\$97.5	\$113.9	\$104.7
+ New OREO	65.2	38.5	39.2	21.8	30.0
+ Capitalized Expenses	4.0	0.4	0.1	0.2	0.3
Disposals:					
- Bulk Sales	(6.0)	(10.6)	-	-	-
- Auctions	(8.5)	(4.2)	(1.0)	(1.0)	-
- Single Transactions	(49.6)	(24.4)	(16.8)	(30.6)	(19.5)
Ending Balance	\$100.8	\$106.1	\$119.0	\$104.3	\$115.5

(a) OREO (excludes foreclosed real estate from GNMA loans)

### NPL Rollforward (b)

	3Q09	2Q09	1Q09	4Q08	3Q08
Beginning NPLs	\$1,021	\$1,064	\$998	\$854	\$722
+ Additions	254	232	316	393	356
+ Principal Increase	7	19	13	7	4
- Payments	(130)	(113)	(81)	(82)	(75)
- Net Charge-Offs	(125)	(155)	(149)	(150)	(122)
- Transfer to ORE	(46)	(25)	(32)	(18)	(30)
- Upgrade to Accrual	-	(1)	(1)	(6)	(1)
Ending NPLs	\$981	\$1,021	\$1,064	\$998	\$854

(b) Includes Commercial & One Time Close Portfolios only

**ASSET QUALITY: REGIONAL BANKING**

Quarterly, Unaudited



	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
<b>Total Regional Banking</b>							
Period-end loans (\$ millions)	\$10,011	\$10,282	\$10,727	\$11,017	\$11,008	(3)%	(9)%
30+ Delinq. % (a)	1.70%	1.37%	1.87%	1.07%	1.45%		
NPL %	2.52	2.07	1.80	1.49	1.21		
Charge-offs % (qtr. annualized)	1.48	2.25	2.23	2.34	1.07		
Allowance / loans %	3.65%	3.31%	3.25%	2.83%	2.45%		
Allowance / charge-offs	2.44x	1.44x	1.43x	1.22x	2.30x		
<b>Key Portfolio Details</b>							
<b>Commercial (C&amp;I and Other)</b>							
Period-end loans (\$ millions)	\$5,298	\$5,503	\$5,855	\$6,132	\$6,064	(4)%	(13)%
30+ Delinq. % (a)	1.34%	1.04%	1.56%	.54%	1.37%		
NPL %	1.84	1.46	1.33	1.18	1.09		
Charge-offs % (qtr. annualized)	1.18	1.44	1.96	2.36	.96		
Allowance / loans %	3.27%	3.34%	2.93%	2.34%	2.10%		
Allowance / charge-offs	2.71x	2.24x	1.46x	1.01x	2.21x		
<b>Income CRE (Income-producing Commercial Real Estate)</b>							
Period-end loans (\$ millions)	\$1,430	\$1,424	\$1,438	\$1,462	\$1,504	*	(5)%
30+ Delinq. % (a)	2.40%	1.63%	2.82%	1.25%	1.21%		
NPL %	5.78	4.33	3.57	2.31	1.73		
Charge-offs % (qtr. annualized)	1.09	5.29	2.57	1.50	.07		
Allowance / loans %	8.55%	5.23%	5.07%	4.70%	3.45%		
Allowance / charge-offs	7.84x	0.97x	1.94x	3.09x	49.80x		
<b>Residential CRE (Homebuilder and Condominium Construction)</b>							
Period-end loans (\$ millions)	\$313	\$357	\$396	\$435	\$473	(12)%	(34)%
30+ Delinq. % (a)	6.17%	5.51%	6.61%	4.97%	3.94%		
NPL %	22.06	19.73	16.10	13.27	8.71		
Charge-offs % (qtr. annualized)	6.49	6.46	8.81	9.97	4.55		
Allowance / loans %	9.86%	10.32%	10.19%	8.54%	8.52%		
Allowance / charge-offs	1.41x	1.49x	1.09x	0.83x	1.75x		
<b>Consumer Real Estate (Home Equity Installment and HELOC)</b>							
Period-end loans (\$ millions)	\$2,643	\$2,669	\$2,696	\$2,644	\$2,606	(1)%	1%
30+ Delinq. % (a)	1.46%	1.31%	1.32%	1.41%	1.32%		
Charge-offs % (qtr. annualized)	1.40	1.36	1.45	1.23	.81		
Allowance / loans %	1.04%	1.12%	1.79%	1.70%	1.26%		
Allowance / Charge-offs	0.74x	0.81x	1.24x	1.40x	1.57x		
<b>Credit Card, Permanent Mortgage, and Other</b>							
Period-end loans (\$ millions)	\$327	\$328	\$342	\$345	\$361	*	(9)%
30+ Delinq. % (a)	1.98%	1.77%	1.83%	2.09%	1.66%		
Charge-offs % (qtr. annualized)	3.57	5.10	3.48	4.04	4.69		
Allowance / loans %	3.69%	4.61%	4.56%	5.07%	5.31%		
Allowance / Charge-offs	1.03x	0.90x	1.31x	1.25x	1.16x		

\* Amount is less than one percent

Certain previously reported amounts have been reclassified to agree with current presentation.

(a) 30+ Delinquency % includes all accounts delinquent more than one month and still accruing interest.

## ASSET QUALITY: MORTGAGE BANKING AND CAPITAL MARKETS

Quarterly, Unaudited



	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
<b>Total Mortgage Banking</b>							
Period-end loans (\$ millions)	\$571	\$592	\$668	\$674	\$746	(4)%	(24)%
30+ Delinq. % (a)	5.19%	6.03%	7.09%	3.63%	3.35%		
NPL %	12.01	9.37	5.84	2.95	1.59		
Allowance / loans %	2.47%	5.04%	3.67%	4.15%	.96%		
<b>Total Capital Markets</b>							
Period-end loans (\$ millions)	\$1,772	\$2,059	\$2,034	\$1,918	\$1,790	(14)%	(1)%
30+ Delinq. % (a)	1.42%	.56%	2.13%	.68%	1.45%		
NPL %	5.84	3.45	1.99	1.43	1.52		
Charge-offs % (qtr. annualized)	7.19	2.74	1.14	1.91	3.99		
Allowance / loans %	5.65%	3.85%	3.54%	3.31%	3.56%		
Allowance / charge-offs	0.75x	1.44x	3.24x	1.94x	0.91x		

\* Amount is less than one percent

Certain previously reported amounts have been reclassified to agree with current presentation.

(a) 30+ Delinquency % includes all accounts delinquent more than one month and still accruing interest.

**ASSET QUALITY: NATIONAL SPECIALTY LENDING**

Quarterly, Unaudited



	3Q09	2Q09	1Q09	4Q08	3Q08	3Q09 Change vs.	
						2Q09	3Q08
<b>Total National Specialty Lending</b>							
Period-end loans (\$ millions)	\$6,171	\$6,653	\$7,143	\$7,668	\$8,058	(7)%	(23)%
30+ Delinq. % (a)	3.41%	4.35%	4.49%	3.46%	3.67%		
NPL %	10.74	11.49	11.84	10.88	8.92		
Charge-offs % (qtr. annualized)	7.92	9.25	7.47	6.00	5.14		
Allowance / loans %	7.53%	7.70%	6.94%	5.82%	5.21%		
Allowance / charge-offs	0.92x	0.80x	0.89x	0.95x	0.98x		
<b>Key Portfolio Details</b>							
<b>Income CRE (Income-producing Commercial Real Estate)</b>							
Period-end loans (\$ millions)	\$290	\$314	\$341	\$356	\$378	(8)%	(23)%
30+ Delinq. % (a)	-	8.16%	9.03%	7.51%	13.37%		
NPL %	30.28	24.59	20.52	18.22	12.77		
Charge-offs % (qtr. annualized)	11.51	7.70	7.66	8.74	.91		
Allowance / loans %	6.86%	8.02%	5.23%	4.67%	4.28%		
Allowance / charge-offs	0.56x	0.98x	0.67x	0.50x	4.53x		
<b>Residential CRE (Homebuilder and Condominium Construction)</b>							
Period-end loans (\$ millions)	\$477	\$579	\$682	\$780	\$927	(18)%	(48)%
30+ Delinq. % (a)	2.33%	4.87%	12.47%	3.19%	5.05%		
NPL %	54.60	52.10	48.91	40.97	32.03		
Charge-offs % (qtr. annualized)	17.46	23.56	22.50	19.26	16.06		
Allowance / loans %	9.20%	9.75%	7.55%	8.03%	6.79%		
Allowance / charge-offs	0.47x	0.37x	0.31x	0.38x	0.38x		
<b>Consumer Real Estate (Home Equity Installment and HELOC)</b>							
Period-end loans (\$ millions)	\$4,504	\$4,686	\$4,913	\$5,105	\$5,223	(4)%	(14)%
30+ Delinq. % (a)	2.75%	2.59%	2.38%	2.26%	1.57%		
NPL %	.15	.13	.10	.10	.11		
Charge-offs % (qtr. annualized)	3.98	3.94	2.88	2.10	1.70		
Allowance / loans %	4.49%	4.13%	3.76%	2.68%	1.74%		
Allowance / charge-offs	1.11x	1.03x	1.28x	1.26x	1.01x		
<b>OTC (Consumer Residential Construction Loans)</b>							
Period-end loans (\$ millions)	\$362	\$558	\$773	\$981	\$1,202	(35)%	(70)%
30+ Delinq. % (a)	4.00%	7.90%	2.82%	4.43%	4.92%		
NPL %	77.37	64.06	55.19	43.03	28.94		
Charge-offs % (qtr. annualized)	29.87	30.53	21.10	14.80	12.29		
Allowance / loans %	30.21%	29.46%	23.74%	20.44%	20.16%		
Allowance / charge-offs	0.79x	0.80x	0.99x	1.25x	1.46x		
<b>Permanent Mortgage</b>							
Period-end loans (\$ millions)	\$514	\$490	\$407	\$417	\$297	5%	73%
30+ Delinq. % (a)	11.48%	13.90%	15.72%	12.60%	18.39%		
NPL %	5.34	4.42	2.50	5.32	6.71		
Charge-offs % (qtr. annualized)	.11	.14	.06	-	-		
Allowance / loans %	16.77%	13.93%	13.14%	6.13%	1.84%		
Allowance / charge-offs	1.63x	1.03x	8.14x	NM	-		
<b>Other Consumer</b>							
Period-end loans (\$ millions)	\$24	\$25	\$26	\$29	\$30	(4)%	(20)%
30+ Delinq. % (a)	7.47%	8.05%	8.56%	8.14%	6.65%		
NPL %	-	-	-	-	-		
Charge-offs % (qtr. annualized)	18.58	17.40	15.27	11.31	11.66		
Allowance / loans %	13.60%	17.35%	18.94%	13.87%	7.84%		
Allowance / Charge-offs	0.73x	0.96x	1.16x	1.22x	0.66x		

\* Amount is less than one percent

Certain previously reported amounts have been reclassified to agree with current presentation.

(a) 30+ Delinquency % includes all accounts delinquent more than one month and still accruing interest.

## ASSET QUALITY HIGHLIGHTS: KEY PORTFOLIOS - COMMERCIAL

Unaudited



### C&I Portfolio: \$6.9 Billion (37% of Total Loans)

- Primarily relationship customers in Tennessee and regional middle market lending efforts
- Diversified by industry, good granularity
- Impacted by deterioration in overall economic conditions
- Trust preferred loans and bank-related exposures most severely impacted

	% OS
General Corporate, Commercial and Business Banking Loans	85.60%
Mortgage Warehouse Line Balances	5.50%
Trust Preferred Loans	6.70%
Bank Holding Company Lending	2.20%

### Income CRE Portfolio: \$1.8 Billion (10% of Total Loans)

- Traditional commercial real estate construction and mini-permanent loans
- Three-Fourths managed by Regional Banking segment (approx)
- Less than 16% in national CRE business: wind-down portfolio (approx)
- Poor economic conditions impacting vacancy levels, rate of stabilization, and rental rates
- Lack of available financing in industry combined with a poor economy impacting property valuations
- Expect a prolonged period of portfolio underperformance vs. historical expectations

Top 10 States		
	% OS	% NPL
TN	43.86%	3.63%
NC	8.53%	18.48%
FL	7.42%	41.73%
GA	6.21%	4.74%
TX	3.91%	0.00%
SC	3.59%	0.00%
MS	3.48%	0.45%
WA	3.26%	0.00%
AZ	2.32%	66.95%
WV	1.90%	0.00%

As of 9/30/09

### Homebuilder Portfolio: \$835 Million (5% of Total Loans)

- Loans to residential builders and developers
- Performance under pressure from housing market (oversupply & lack of mortgage availability)
- Most severe market conditions in Florida, Washington, California, Virginia/DC, Arizona, Maryland and Colorado
- Condominium construction balances small (\$126.8 million) but individual commitments tend to be large
- Wind-down portfolio: In early 2008 ceased originations for national CRE lending; balances have decreased by 65% since March 2008

Top 10 States		
	% OS	% NPL
TN	24.93%	16.90%
FL	10.63%	70.67%
WA	8.74%	45.85%
NC	7.14%	30.12%
TX	5.09%	12.61%
CA	5.03%	38.02%
VA	4.78%	37.55%
CO	3.65%	37.55%
MD	3.26%	55.10%
AZ	3.26%	96.83%

As of 9/30/09

## ASSET QUALITY HIGHLIGHTS: KEY PORTFOLIOS - CONSUMER

Unaudited



### Consumer Real Estate (primarily Home Equity) Portfolio: \$7.1 Billion (39% of Total Loans)

- Performance continues to show deterioration in Q3 primarily related to areas with significant home price depreciation.
- Geographically diverse
  - Top States (TN=34%, CA = 15%, VA = 4%, WA = 4%)
- Strong borrower quality
  - 736 avg. portfolio origination FICO; 732 avg. portfolio FICO (refreshed)
- Good collateral position
  - High LTV loans managed through whole loan insurance
  - 28% 1st lien and 72% second lien
  - 87% of uninsured portfolio <90 CLTV
  - 13% of uninsured portfolio is HLTV, 65% of which (or 8.6%) have FICO >700
  - FHN has not originated loans > 89.9% CLTV since September 2007
- Good borrower capacity (37% avg. DTI)
- Primarily retail-sourced (86% retail)
- Mix of older vintage loans
  - 49% originated prior to 2006

Top 10 States			
	% OS	Del. %	C/O %
TN	34%	1.43%	.81%
CA	15%	2.74%	5.06%
VA	4%	1.84%	2.40%
WA	4%	2.27%	3.64%
MD	3%	2.12%	3.15%
FL	3%	4.67%	10.15%
GA	3%	1.95%	2.00%
AZ	3%	4.41%	7.85%
PA	2%	2.01%	1.86%
NJ	2%	2.78%	2.48%

As of 9/30/09

Retail vs. Wholesale Originations			
	% OS	Del. %	C/O %
Retail	85.95%	1.97%	2.32%
Wholesale	11.80%	4.43%	8.56%
Other	2.24%	2.91%	2.59%

As of 9/30/09

Portfolio Breakdown by LTV and FICO			
	<=80%	80% - 90%	>90%
>=740	32.5%	14.4%	4.9%
720-739	7.1%	4.6%	1.9%
700-719	7.1%	4.3%	1.8%
660-699	7.9%	4.0%	3.0%
620-659	2.5%	1.3%	1.2%
<620	.8%	.3%	.4%

\*excludes whole loan insurance

As of 9/30/09

Vintage	Balance %	Origination Characteristics					QTD NCO's %	YTD NCO's %
		CLTV	FICO	% Broker *	% TN	% 1st lien		
pre-2002	6%	76%	717	16%	49%	36%	1.62%	1.76%
2003	9%	74%	731	13%	36%	44%	1.02%	1.27%
2004	13%	77%	728	23%	27%	30%	1.47%	1.92%
2005	21%	80%	732	19%	20%	17%	4.02%	3.94%
2006	17%	77%	735	6%	25%	18%	4.82%	4.38%
2007	20%	79%	741	15%	27%	19%	4.13%	3.70%
2008	10%	76%	749	9%	70%	53%	2.13%	2.11%
2009	4%	72%	755	2%	84%	61%	.06%	.02%
<b>Total</b>	<b>100%</b>	<b>77%</b>	<b>736</b>	<b>14%</b>	<b>34%</b>	<b>28%</b>	<b>3.04%</b>	<b>2.80%</b>

\* Correspondent and Wholesale

### Permanent Mortgage Portfolio: \$1.1 Billion (6% of Total Loans)

- Portfolio is heterogeneous; performance varies by pool
- National portfolios winding-down
- Originations primarily consist of OTC completed construction loans
- Geographically diverse
  - Top States (CA = 19%, TX = 10%, WA = 8%, AZ = 6%, VA = 5%)
- Balanced origination sources
  - 53% retail; 47% wholesale
- Documentation type
  - 62% full doc; 35% stated; 3% other
- Product type
  - 64% jumbo; 23% Alt A; 13% other

Top 10 States			
	% OS	Del. %	C/O %
CA	19%	6.22%	3.46%
TX	10%	6.44%	0.47%
WA	8%	9.56%	2.29%
AZ	6%	8.68%	7.83%
VA	5%	6.50%	1.48%
OR	4%	9.08%	1.53%
UT	4%	11.36%	10.16%
FL	4%	15.04%	9.61%
TN	4%	3.95%	.73%
MD	3%	3.28%	3.80%

As of 9/30/09

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Product

Current Process

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### Commercial Loans (Real Estate / C&I)

#### Risk Grading

Reserves are established using historical loss factors by grade level. Relationship managers risk rate each loan using grades that reflect both the probability of default and estimated loss in the event of default. Loans with emerging weaknesses receive increased oversight through our Watch List process.

#### Watch List Process

For new Watch List loans, senior credit management reviews risk grade appropriateness and action plans. After initial identification, relationship managers prepare regular updates for review and discussion by more senior business line and credit officers. This oversight is intended to bring consistent grading and allow timely identification of loans that need to be further downgraded or placed on non-accrual status.

#### Classified & Non-Accruals

When a loan becomes classified, the asset generally transfers to the specialists in our Loan Rehab and Recovery group where the accounts receive more active management and detailed monitoring; at this time, new appraisals are typically ordered for real estate collateral dependent credits.

Loans are placed on non-accrual status if it becomes evident that full collection of principal and interest is at risk, or if loans become 90 days or more past due.

#### Impairment Assessment

Generally, classified non-accrual loans over \$1 million are deemed to be impaired in accordance with GAAP and are assessed for impairment measurement. For impaired assets viewed as collateral dependent, fair value estimates are obtained from a recently received and reviewed appraisal. Appraised values are adjusted down for costs associated with asset disposal and for our estimate of any further deterioration in values since the most recent appraisal. Upon the determination of impairment, we charge off the full difference between book value and our best estimate of the asset's net realizable value.

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### One-Time Close (OTC) Loans

For OTC real estate construction loans, reserve levels are established based on portfolio modeling and regular portfolio reviews conducted with business line managers and credit officers. In addition, OTC loans that reach 90 days past due are placed on non-accrual. A new appraisal is ordered for loans that reach 90 days past due or are classified as substandard during the monthly portfolio review. Loans are initially written down to current appraised value. Loans are then assessed for charge down again when they reach 180 days past due, and again when they are taken into OREO.

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### Home Equity Loans & Lines

For home equity loans and lines, reserve levels are established through the use of segmented roll rate models. Loans are classified substandard at 90 days delinquent. Our collateral position is assessed prior to the asset becoming 180 days delinquent. If the value does not support foreclosure, balances are charged-off and other avenues of recovery are pursued. If the value supports foreclosure, the loan is charged down to net realizable value and is placed on non-accrual status. When collateral is taken to OREO, the asset is assessed for further write down to appraised value.

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**Adjusted Tangible Equity/RWA:** Shareholders' equity excluding intangible assets and unrealized gains/losses on available for sale securities and cash flow hedges divided by risk weighted assets.

**Appraisal Fees:** A fee charged to the borrower for the cost of appraising a property.

**Core business segments:** Management treats Regional Banking, Capital Markets, and Corporate as FHN's core businesses. Mortgage Banking and National Specialty Lending have significant legacy assets and operations that are being wound down.

**Credit Report Fee:** A fee charged to the borrower for the cost of obtaining the borrower's credit report.

**ASC 310 Fee Deferral:** The timing difference between collecting and recognizing origination fees on a loan not carried at elected fair value. For loans held for sale not carried at elected fair value, origination fees are recognized at the time the loan is sold, not at the time the loan is originated.

**ASC 310 Reclassification:** The reclassification of the cost of originating mortgage warehouse loans, not carried at elected fair value, sold during the period.

**Final Inspection Fee:** A fee charged to the borrower to inspect a property.

**Individually Impaired Loans:** Commercial loans over \$1 million that are not expected to pay all contractually due principal and interest and consumer loans that have experienced a troubled debt restructuring and are individually evaluated for impairment. These loans are generally written down to an estimate of collateral value less cost to sell.

**Lower of Cost or Market (LOCOM):** A method of accounting for certain assets by recording them at the lower of their historical cost or their current market value.

**Origination Fees:** A fee charged to the borrower by the lender to originate a loan. Usually stated as a percentage of the face value of the loan.

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### **Asset Quality - Consolidated Key Ratios**

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**NPL %:** Ratio is nonperforming loans in the loan portfolio to total period end loans.

**NPA %:** Ratio is nonperforming assets related to the loan portfolio to total period end loans plus foreclosed real estate and other assets.

**Net charge-offs %:** Ratio is annualized net charge-offs to total average loans.

**Allowance / Loans:** Ratio is allowance for loan losses to total period end loans.

**Allowance to loans excluding insured loans:** Ratio is allowance for loan losses to total period end loans excluding insured loans.

**Allowance / NPL:** Ratio is allowance for loan losses to nonperforming loans in the loan portfolio.

**Allowance / NPA:** Ratio is allowance for loan losses to nonperforming assets related to the loan portfolio.

**Allowance / Charge-offs:** Ratio is allowance for loan losses to annualized net charge-offs.

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## NON-GAAP to GAAP RECONCILIATION

Quarterly, Unaudited



<i>(Thousands)</i>	3Q09	2Q09	1Q09	4Q08	3Q08
<b>Pre-Tax Pre-Provision Earnings (Non-GAAP)</b>					
Pre-tax loss (GAAP)	\$ (40,182)	\$ (179,217)	\$ (111,870)	\$ (83,254)	\$ (208,295)
Less: Provision for loan losses (GAAP)	185,000	260,000	300,000	280,000	340,000
Pre-tax pre-provision earnings (Non-GAAP)	144,818	80,783	188,130	196,746	131,705
<i>(Millions)</i>					
<b>Tangible Common Equity (Non-GAAP)</b>					
(A) Total equity (GAAP)	\$3,370.2	\$3,394.0	\$3,507.7	\$3,574.6	\$2,872.9
Less: Preferred stock capital surplus - CPP	794.6	790.6	786.6	785.7	-
Less: Noncontrolling interest (a)	295.2	295.2	295.2	295.2	295.3
(B) Total common equity	2,280.4	2,308.2	2,425.9	2,493.7	2,577.6
Less: Intangible assets (GAAP) (b)	218.9	234.3	235.9	237.5	239.3
(C) Tangible common equity (Non-GAAP)	2,061.5	2,073.9	2,190.0	2,256.2	2,338.3
Less: Unrealized gains on AFS securities, net of tax	67.5	59.2	57.4	42.3	17.8
(D) Adjusted tangible common equity (Non-GAAP) (c)	1,994.0	2,014.7	2,132.6	2,213.9	2,320.5
<b>Tangible Assets (Non-GAAP)</b>					
(E) Total assets (GAAP)	\$26,465.9	\$28,758.9	\$31,208.0	\$31,022.0	\$32,804.4
Less: Intangible assets (GAAP) (b)	218.9	234.3	235.9	237.5	239.3
(F) Tangible assets (Non-GAAP)	26,247.0	28,524.6	30,972.1	30,784.5	32,565.1
<b>Period-end Shares Outstanding</b>					
(G) Period-end shares outstanding	218.7	218.6	218.4	217.5	217.5
<b>Tier 1 Common (Non-GAAP)</b>					
(H) Tier 1 capital (d) (e)	\$3,563.7	\$3,596.3	\$3,709.0	\$3,784.2	\$2,934.0
Less: Preferred stock capital surplus - CPP	794.6	790.6	786.6	782.7	-
Less: Noncontrolling interest - FTBNA preferred stock (a) (f)	294.8	294.8	294.8	294.8	294.8
Less: Trust preferred (g)	300.0	300.0	300.0	300.0	300.0
(I) Tier 1 common (Non-GAAP)	2,174.3	2,210.9	2,327.6	2,406.7	2,339.2
<b>Risk Weighted Assets</b>					
(J) Risk weighted assets (d) (e)	\$22,003.3	\$23,123.4	\$24,771.8	\$25,185.4	\$26,427.2
<b>Ratios</b>					
(C)/(F) Tangible common equity to tangible assets (TCE/TA) (Non-GAAP)	7.85%	7.27%	7.07%	7.34%	7.18%
(A)/(E) Total equity to total assets (GAAP)	12.73%	11.80%	11.24%	11.52%	8.76%
(C)/(G) Tangible book value per common share (Non-GAAP)	\$9.43	\$9.49	\$10.03	\$10.39	\$10.75
(B)/(G) Book value per common share (GAAP)	\$10.43	\$10.56	\$11.11	\$11.48	\$11.85
(I)/(J) Tier 1 common ratio (Non-GAAP)	9.88%	9.56%	9.40%	9.56%	8.85%
(H)/(E) Tier 1 capital to total assets (GAAP)	13.47%	12.50%	11.88%	12.20%	8.94%
(D)/(J) Adjusted tangible common equity to risk weighted assets (TCE/RWA) (Non-GAAP) (c)	9.06%	8.71%	8.61%	8.80%	8.78%
(a) Included in total equity on the consolidated balance sheet.					
(b) Includes goodwill and other intangible assets, net of amortization.					
(c) See Glossary of Terms for definition of ratio.					
(d) Current quarter is an estimate.					
(e) Defined by and calculated in conformity with bank regulations.					
(f) Represents FTBNA preferred stock included in noncontrolling interest.					
(g) Included in term borrowings on the consolidated balance sheet.					