

FIRST HORIZON NATIONAL CORP  
Form 10-Q  
November 07, 2013  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2013

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from        to

Commission File Number 001-15185

**First Horizon National Corporation**

(Exact name of registrant as specified in its charter)

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**TN**  
 (State or other jurisdiction)

**62-0803242**  
 (IRS Employer

**incorporation of organization)** **Identification No.)**

**165 MADISON AVENUE**

**MEMPHIS, TENNESSEE**  
 (Address of principal executive office)

**38103**  
 (Zip Code)

**(Registrant's telephone number, including area code) (901) 523-4444**

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding on September 30, 2013
Common Stock, \$.625 par value	236,328,090

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PART I.

FINANCIAL INFORMATION

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This financial information reflects all adjustments that are, in the opinion of management, necessary for a fair presentation of the financial condition and results of operations for the interim periods presented.

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	<b>First Horizon National Corporation</b>		
	September 30	2012	December 31
	2013		2012
<i>(Dollars in thousands, except restricted and share amounts)(Unaudited)</i>			
<b>Assets:</b>			
Cash and due from banks (Restricted \$1.5 million on September 30, 2013; \$6 million on September 30, 2012; and \$ on December 31, 2012)	\$ 395,631	\$ 355,978	\$ 469,879
Federal funds sold	52,830	12,425	34,492
Securities purchased under agreements to resell (Note 16)	576,355	517,263	601,891
<b>Total cash and cash equivalents (Restricted \$1.5 million on September 30, 2013; \$6 million on September 30, 2012; and \$ on December 31, 2012)</b>	<b>1,024,816</b>	885,666	1,106,262
Interest-bearing cash	184,179	440,916	353,373
Trading securities	1,343,134	1,204,366	1,262,720
Loans held-for-sale	371,640	410,550	401,937
Securities available-for-sale (Note 3)	3,186,943	3,123,629	3,061,808
Loans, net of unearned income (Restricted \$1 billion on September 30, 2013; September 30, 2012; and December 31, 2012) (Note 4)	15,408,556	16,523,783	16,708,582
Less: Allowance for loan losses (Restricted \$3.2 million on September 30, 2013; \$4.4 million on September 30, 2012; and \$4.3 million on December 31, 2012) (Note 4)	255,710	281,744	276,963
<b>Total net loans (Restricted \$1 billion on September 30, 2013; September 30, 2012; and December 31, 2012)</b>	<b>15,152,846</b>	16,242,039	16,431,619
Mortgage servicing rights (Note 5)	116,686	120,537	114,311
Goodwill (Note 6)	140,479	134,242	134,242
Other intangible assets, net (Note 6)	22,216	23,679	22,700
Capital markets receivables	417,743	791,190	303,893
Premises and equipment, net	308,779	305,346	303,273
Real estate acquired by foreclosure	71,626	70,779	60,690
Derivative assets (Note 15)	215,116	334,025	292,472
Other assets (Restricted \$1.4 million on September 30, 2013; \$1.9 million on September 30, 2012 and December 31, 2012)	1,637,138	1,652,866	1,670,840
<b>Total assets (Restricted \$1 billion on September 30, 2013; September 30, 2012; and December 31, 2012)</b>	<b>\$ 24,193,341</b>	\$ 25,739,830	\$ 25,520,140
<b>Liabilities and equity:</b>			
<b>Deposits:</b>			
Savings	\$ 6,781,522	\$ 6,608,534	\$ 6,705,496
Time deposits	997,726	1,063,380	1,019,938
Other interest-bearing deposits	3,494,236	3,468,367	3,798,313
Certificates of deposit \$100,000 and more	575,679	518,717	503,490
<b>Interest-bearing</b>	<b>11,849,163</b>	11,658,998	12,027,237
<b>Noninterest-bearing</b>	<b>4,434,746</b>	4,569,113	4,602,472
<b>Total deposits</b>	<b>16,283,909</b>	16,228,111	16,629,709
Federal funds purchased	1,062,901	1,350,806	1,351,023
Securities sold under agreements to repurchase (Note 16)	427,232	443,370	555,438
Trading liabilities	585,969	516,970	564,429

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Other short-term borrowings	303,686	856,958	441,201
Term borrowings (Restricted \$1 billion on September 30, 2013; September 30, 2012; and December 31, 2012)	1,771,288	2,263,238	2,226,482
Capital markets payables	388,373	574,201	296,450
Derivative liabilities (Note 15)	165,918	225,084	202,269
Other liabilities	770,772	749,204	743,933
<b>Total liabilities (Restricted \$1 billion on September 30, 2013; September 30, 2012; and December 31, 2012)</b>	<b>21,760,048</b>	<b>23,207,942</b>	<b>23,010,934</b>
<b>Equity:</b>			
First Horizon National Corporation Shareholders Equity:			
Preferred stock Series A, non-cumulative perpetual, no par value, liquidation preference of \$100,000 per share (shares authorized 1,000; shares issued 1,000 on September 30, 2013; on September 30, 2012 and December 31, 2012)	95,624		
Common stock \$.625 par value (shares authorized 400,000,000; shares issued 236,328,090 on September 30, 2013; 247,133,973 on September 30, 2012; and 243,597,780 on December 31, 2012 )	147,705	154,459	152,249
Capital surplus	1,413,248	1,517,488	1,488,463
Undivided profits	657,676	681,460	719,672
Accumulated other comprehensive loss, net (Note 8)	(176,391)	(116,684)	(146,343)
<b>Total First Horizon National Corporation Shareholders Equity</b>	<b>2,137,862</b>	<b>2,236,723</b>	<b>2,214,041</b>
Noncontrolling interest	295,431	295,165	295,165
<b>Total equity</b>	<b>2,433,293</b>	<b>2,531,888</b>	<b>2,509,206</b>
<b>Total liabilities and equity</b>	<b>\$ 24,193,341</b>	<b>\$ 25,739,830</b>	<b>\$ 25,520,140</b>

See accompanying notes to consolidated condensed financial statements.

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	<b>First Horizon National Corporation</b>			
	Three Months Ended		Nine Months Ended	
	September 30		September 30	
<i>(Dollars and shares in thousands except per share data, unless otherwise noted)(Unaudited)</i>	<b>2013</b>	2012	<b>2013</b>	2012
<b>Interest income:</b>				
Interest and fees on loans	<b>\$ 149,698</b>	\$ 163,813	<b>\$ 454,297</b>	\$ 486,507
Interest on investment securities	<b>20,916</b>	24,136	<b>62,442</b>	76,413
Interest on loans held-for-sale	<b>3,058</b>	3,808	<b>9,729</b>	11,174
Interest on trading securities	<b>8,747</b>	8,392	<b>25,798</b>	27,450
Interest on other earning assets	<b>191</b>	367	<b>734</b>	1,210
<b>Total interest income</b>	<b>182,610</b>	200,516	<b>553,000</b>	602,754
<b>Interest expense:</b>				
Interest on deposits:				
Savings	<b>3,471</b>	4,764	<b>11,557</b>	15,127
Time deposits	<b>4,013</b>	5,169	<b>12,294</b>	16,626
Other interest-bearing deposits	<b>817</b>	1,455	<b>2,975</b>	