

# First Quarter 2017 Investor Call

*M. Terry Turner, President and CEO*  
*Harold R. Carpenter, EVP and CFO*

**April 18, 2017**



# Safe Harbor Statements

## Forward Looking Statements

All statements, other than statements of historical fact, included in this presentation, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act and Section 21E of the Exchange Act. The words "expect," "anticipate," "intend," "plan," "believe," "seek," "estimate" and similar expressions are intended to identify such forward-looking statements, but other statements not based on historical information may also be considered forward-looking statements. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results to differ materially from the statements, including, but not limited to: (i) deterioration in the financial condition of borrowers resulting in significant increases in loan losses and provisions for those losses; (ii) continuation of the historically low short-term interest rate environment; (iii) the inability of Pinnacle Financial, or entities in which it has significant investments, like Bankers Healthcare Group (BHG), to maintain the historical growth rate of its, or such entities', loan portfolio; (iv) changes in loan underwriting, credit review or loss reserve policies associated with economic conditions, examination conclusions, or regulatory developments; (v) effectiveness of Pinnacle Financial's asset management activities in improving, resolving or liquidating lower-quality assets; (vi) increased competition with other financial institutions; (vii) greater than anticipated adverse conditions in the national or local economies including the Nashville-Davidson-Murfreesboro-Franklin MSA, the Knoxville MSA, the Chattanooga, TN-GA MSA and the Memphis, TN-MS-AR MSA, particularly in commercial and residential real estate markets; (viii) rapid fluctuations or unanticipated changes in interest rates on loans or deposits; (ix) the results of regulatory examinations; (x) the ability to retain large, uninsured deposits; (xi) a merger or acquisition, like Pinnacle Financial's proposed merger with BNC Bancorp (BNC); (xii) risks of expansion into new geographic or product markets; (xiii) any matter that would cause Pinnacle Financial to conclude that there was impairment of any asset, including intangible assets; (xiv) reduced ability to attract additional financial advisors (or failure of such advisors to cause their clients to switch to Pinnacle Bank), to retain financial advisors or otherwise to attract customers from other financial institutions; (xv) further deterioration in the valuation of other real estate owned and increased expenses associated therewith; (xvi) inability to comply with regulatory capital requirements, including those resulting from changes to capital calculation methodologies and required capital maintenance levels; (xvii) risks associated with litigation, including the applicability of insurance coverage; (xviii) the risk of successful integration of the businesses Pinnacle Financial has recently acquired with its business; (xix) approval of the declaration of any dividend by Pinnacle Financial's board of directors; (xx) the vulnerability of Pinnacle Bank's network and online banking portals to unauthorized access, computer viruses, phishing schemes, spam attacks, human error, natural disasters, power loss and other security breaches; (xxi) the possibility of increased compliance costs as a result of increased regulatory oversight, including oversight of companies in which Pinnacle Financial or Pinnacle Bank have significant investments, like BHG, and the development of additional banking products for Pinnacle Bank's corporate and consumer clients; (xxii) the risks associated with Pinnacle Financial and Pinnacle Bank being a minority investor in BHG, including the risk that the owners of a majority of the equity interests in BHG decide to sell the company if not prohibited from doing so by the terms of our agreement with them; (xxiii) the possibility that the incremental cost and/or decreased revenues associated with exceeding \$10 billion in assets will exceed current estimates; (xxiv) changes in state and federal legislation, regulations or policies applicable to banks and other financial service providers, like BHG, including regulatory or legislative developments; (xxv) the risk that the cost savings and any revenue synergies from Pinnacle Financial's proposed merger with BNC may not be realized or take longer than anticipated to be realized; (xxvi) disruption from Pinnacle Financial's proposed merger with BNC with customers, suppliers, employee or other business partners relationships; (xxvii) the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement between Pinnacle Financial and BNC; (xxviii) the risk of successful integration of Pinnacle Financial's and BNC's businesses; (xxix) the failure to obtain the necessary approvals by Pinnacle Financial and BNC shareholders; (xxx) the amount of the costs, fees, expenses and charges related to Pinnacle Financial's proposed merger with BNC; (xxxi) reputational risk and the reaction of the parties' customers, suppliers, employees or other business partners to Pinnacle Financial's proposed merger with BNC; (xxxii) the failure of the closing conditions with respect to Pinnacle Financial's proposed merger with BNC to be satisfied, or any unexpected delay in closing the proposed merger; (xxxiii) the risk that the integration of Pinnacle Financial's and BNC's operations will be materially delayed or will be more costly or difficult than expected; (xxxiv) the possibility that Pinnacle Financial's proposed merger with BNC may be more expensive to complete than anticipated, including as a result of unexpected factors or events; (xxxv) the dilution caused by Pinnacle Financial's issuance of additional shares of its common stock in its proposed merger with BNC; and (xxxvi) general competitive, economic, political and market conditions. Additional factors which could affect the forward looking statements can be found in Pinnacle Financial's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, or BNC's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, in each case filed with the SEC and available on the SEC's website at <http://www.sec.gov>. Pinnacle Financial and BNC disclaim any obligation to update or revise any forward-looking statements contained in this presentation, which speak only as of the date hereof, whether as a result of new information, future events or otherwise.

# Safe Harbor Statements

## **Non-GAAP Financial Matters**

This release contains certain non-GAAP financial measures, including, without limitation, net income, earnings per diluted share, efficiency ratio, core net interest margin, noninterest expense and the ratio of noninterest expense to average assets and noninterest expense to the sum of net interest income and noninterest income, in each case excluding the impact of expenses related to other real estate owned, gains or losses on sale of investments, FHLB prepayments and other matters for the accounting periods presented. This release also includes non-GAAP financial measures which exclude expenses associated with Pinnacle Bank's mergers with CapitalMark Bank & Trust, Magna Bank, Avenue Financial Holdings, Inc. and BNC, as well as Pinnacle Financial's and its bank subsidiary's investments in BHG. This release may also contain certain other non-GAAP capital ratios and performance measures. These non-GAAP financial measures exclude the impact of goodwill and core deposit intangibles associated with Pinnacle Financial's acquisitions of Avenue, which Pinnacle Financial acquired on July 1, 2016, Magna Bank which Pinnacle Bank acquired on September 1, 2015, CapitalMark Bank & Trust which Pinnacle Bank acquired on July 31, 2015, Mid-America Bancshares, Inc. which Pinnacle Financial acquired on November 30, 2007, Cavalry Bancorp, Inc., which Pinnacle Financial acquired on March 15, 2006 and other acquisitions which collectively are less material to the non-GAAP measure. The presentation of the non-GAAP financial information is not intended to be considered in isolation or as a substitute for any measure prepared in accordance with GAAP. Because non-GAAP financial measures presented in this release are not measurements determined in accordance with GAAP and are susceptible to varying calculations, these non-GAAP financial measures, as presented, may not be comparable to other similarly titled measures presented by other companies.

Pinnacle Financial believes that these non-GAAP financial measures facilitate making period-to-period comparisons and are meaningful indications of its operating performance. In addition, because intangible assets such as goodwill and the core deposit intangible, and the other items excluded each vary extensively from company to company, Pinnacle Financial believes that the presentation of this information allows investors to more easily compare Pinnacle Financial's results to the results of other companies. Pinnacle Financial's management utilizes this non-GAAP financial information to compare Pinnacle Financial's operating performance for 2017 versus certain periods in 2016 and to internally prepared projections.

## **Additional Information About the Proposed Transaction and Where to Find It**

Investors and security holders are urged to carefully review and consider each of Pinnacle Financial's and BNC's public filings with the SEC, including but not limited to their Annual Reports on Form 10-K, their proxy statements, their Current Reports on Form 8-K and their Quarterly Reports on Form 10-Q.

The documents filed by Pinnacle Financial with the SEC may be obtained free of charge at Pinnacle Financial's website at [www.pnfp.com](http://www.pnfp.com), under the heading "About Pinnacle" and the subheading "Investor Relations," or at the SEC's website at [www.sec.gov](http://www.sec.gov). These documents may also be obtained free of charge from Pinnacle Financial by requesting them in writing to Pinnacle Financial Partners, Inc., 150 Third Avenue South, Suite 900, Nashville, Tennessee 37201, Attention: Investor Relations, or by telephone at (615) 744-3700.

The documents filed by BNC with the SEC may be obtained free of charge at BNC's website at [www.bncbanking.com](http://www.bncbanking.com) under the "Investor Relations" section, or at the SEC's website at [www.sec.gov](http://www.sec.gov). These documents may also be obtained free of charge from BNC by requesting them in writing to BNC Bancorp, 3980 Premier Drive, Suite 210, High Point, North Carolina 27265, Attention: Investor Relations, or by telephone at (336) 869-9200.

In connection with the proposed transaction, Pinnacle Financial has filed a registration statement on Form S-4 with the SEC which includes a preliminary joint proxy statement of Pinnacle Financial and BNC and a preliminary prospectus of Pinnacle Financial, and each party will file other documents regarding the proposed transaction with the SEC. Before making any voting or investment decision, investors and security holders of Pinnacle Financial and BNC are urged to carefully read the entire registration statement and the definitive joint proxy statement/prospectus, when they become available, as well as any amendments or supplements to these documents and any other relevant documents filed with the SEC, because they will contain important information about the proposed transaction. A definitive joint proxy statement/prospectus will be sent to the shareholders of each institution seeking the required shareholder approvals. Investors and security holders will be able to obtain the registration statement and the joint proxy statement/prospectus free of charge from the SEC's website or from Pinnacle Financial or BNC as described in the paragraphs above.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

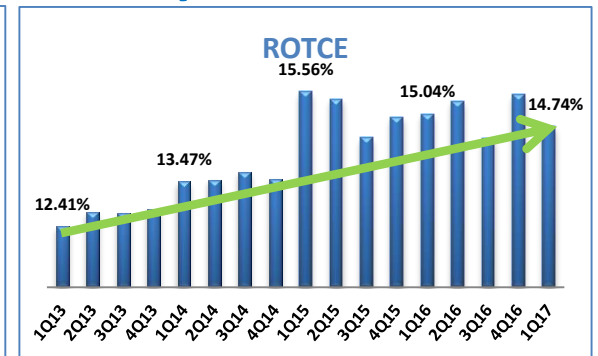
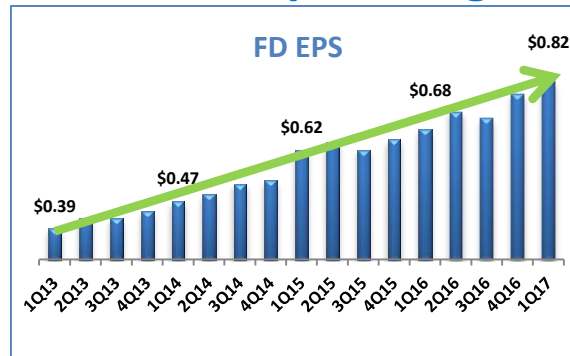
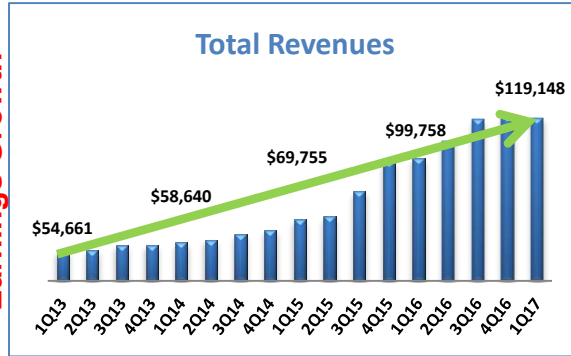
## **Participants in the Solicitation**

Pinnacle Financial, BNC and certain of their directors and executive officers may be deemed participants in the solicitation of proxies from Pinnacle Financial's and BNC's shareholders in connection with the proposed transaction. Information about the directors and executive officers of Pinnacle Financial and their ownership of Pinnacle Financial common stock is set forth in the definitive proxy statement for Pinnacle Financial's 2017 annual meeting of shareholders, as previously filed with the SEC on March 9, 2017, and other documents subsequently filed by Pinnacle Financial with the SEC. Information about the directors and executive officers of BNC and their ownership of BNC's common stock is set forth in Amendment No. 1 to BNC's 2016 Annual Report on Form 10-K, as previously filed with the SEC on March 24, 2017, and other documents subsequently filed by BNC with the SEC. Shareholders may obtain additional information regarding the interests of such participants by reading the registration statement and the definitive joint proxy statement/prospectus. Free copies of these documents may be obtained as described in the paragraphs above.

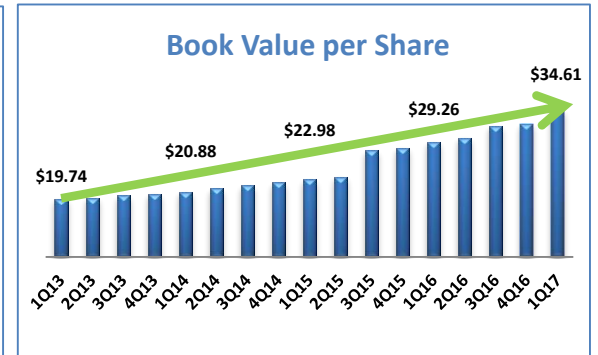
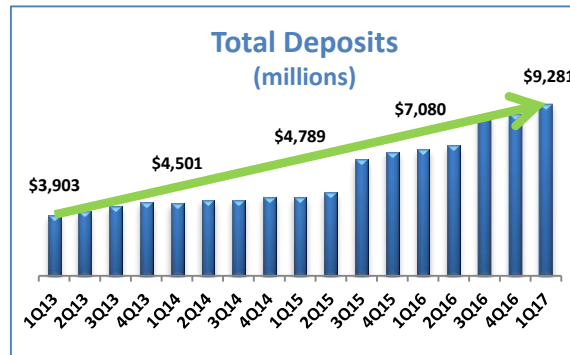
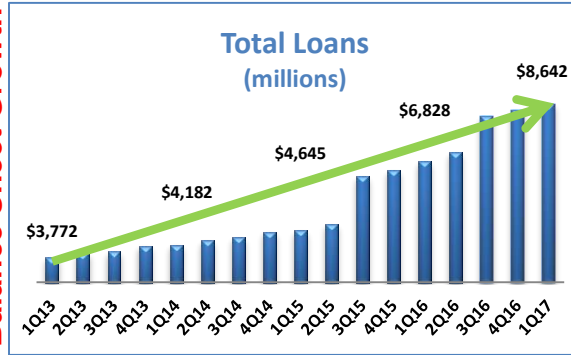
# 1Q17 Summary Results – GAAP Measures

Execution of fundamentals fueled exceptional growth in key valuation drivers

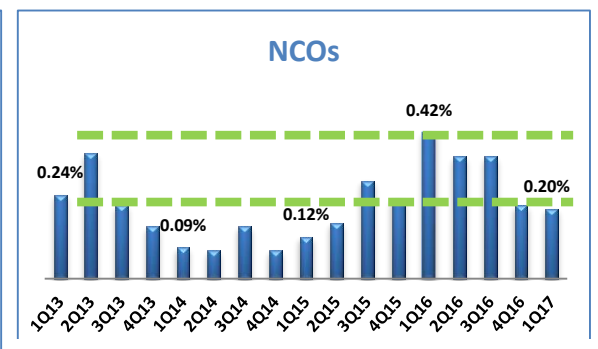
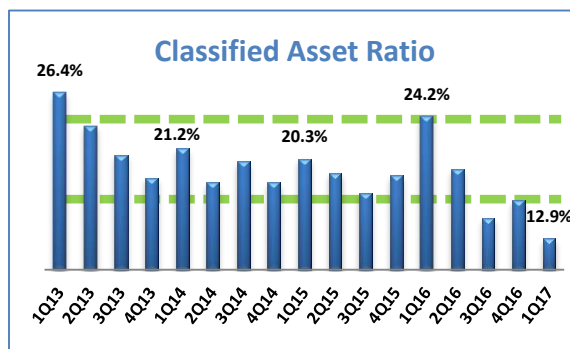
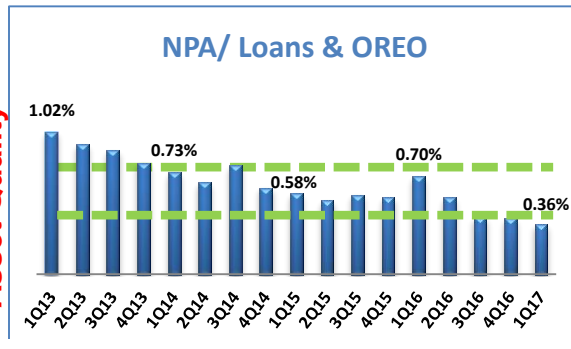
Earnings Growth



Balance Sheet Growth



Asset Quality

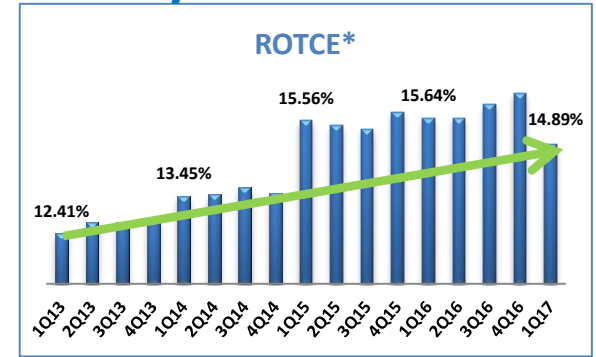
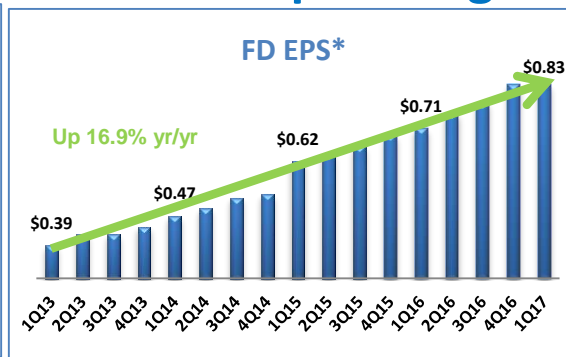
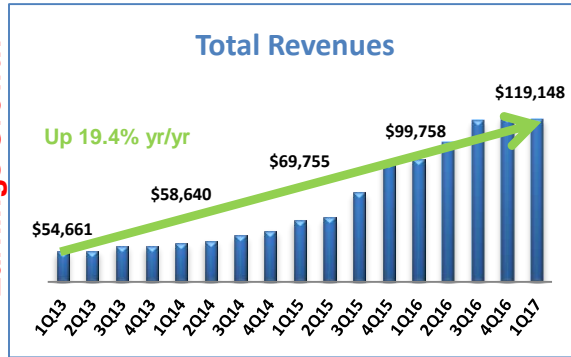


--- : Reflects historical operating ranges for NPA/ Loans & OREO and Classified Asset Ratio. Reflects target ranges resulting from the annual corporate strategic planning process for NCOs.

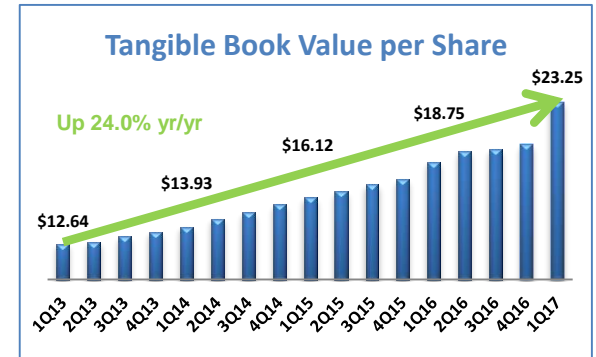
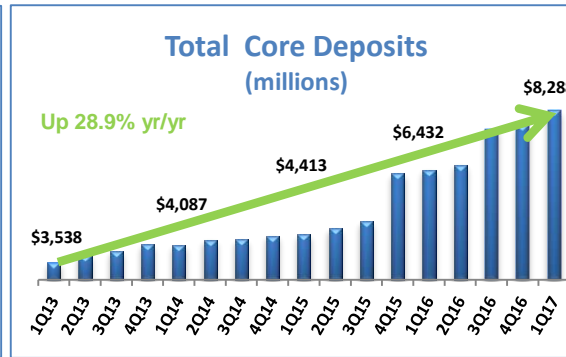
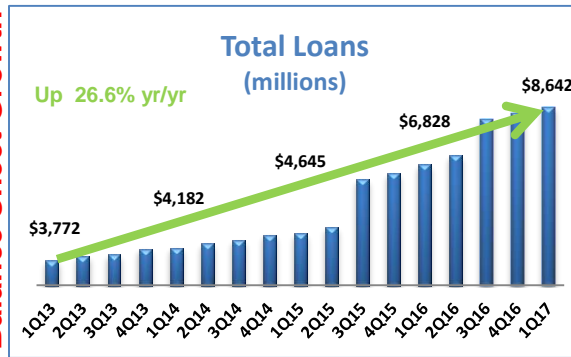
# 1Q17 Summary Results – Non-GAAP Measures

Execution of fundamentals fueled exceptional growth in key valuation drivers

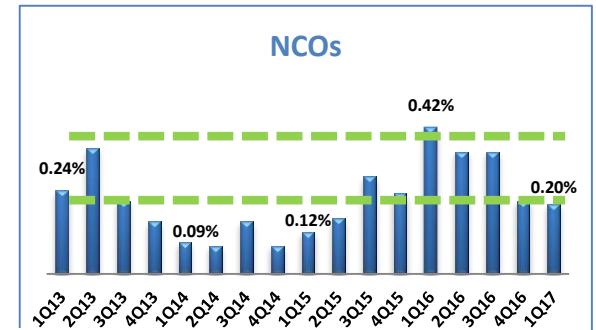
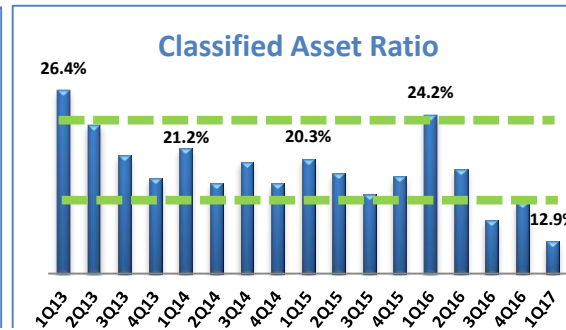
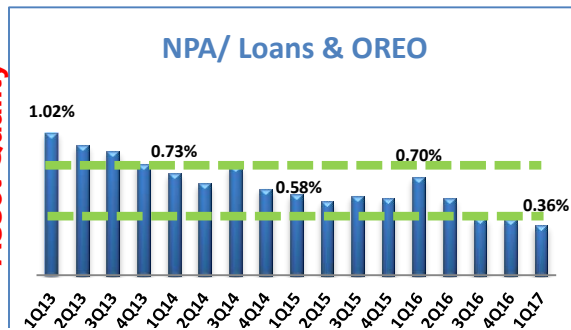
Earnings Growth



Balance Sheet Growth



Asset Quality

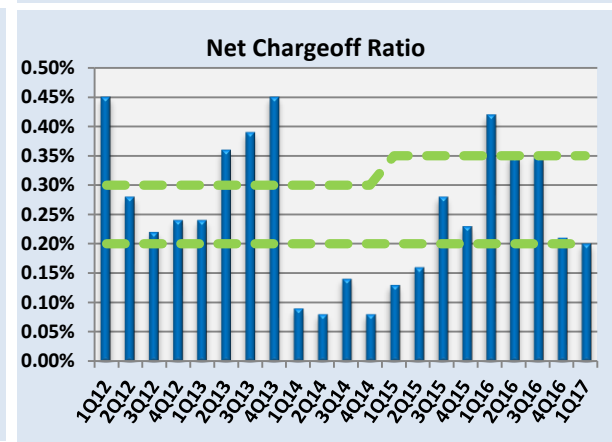
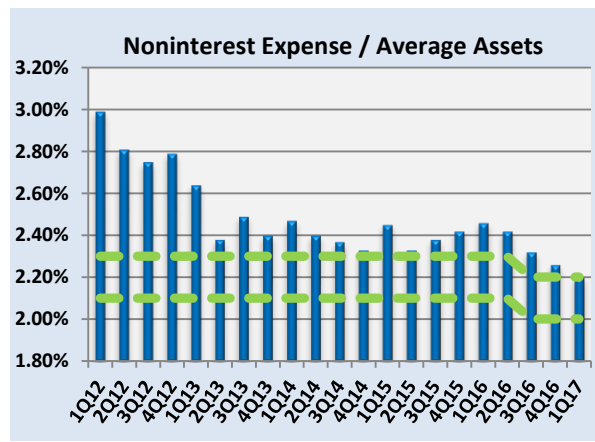
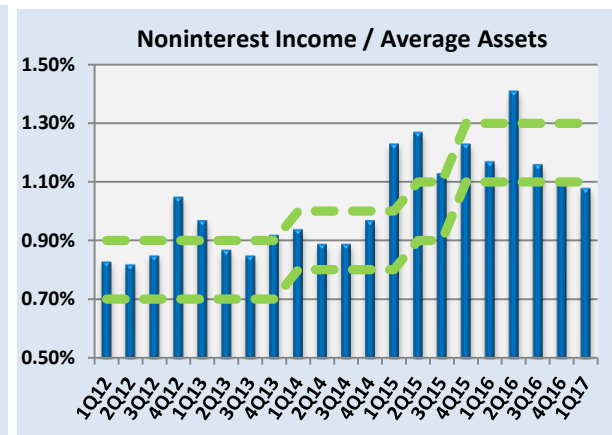
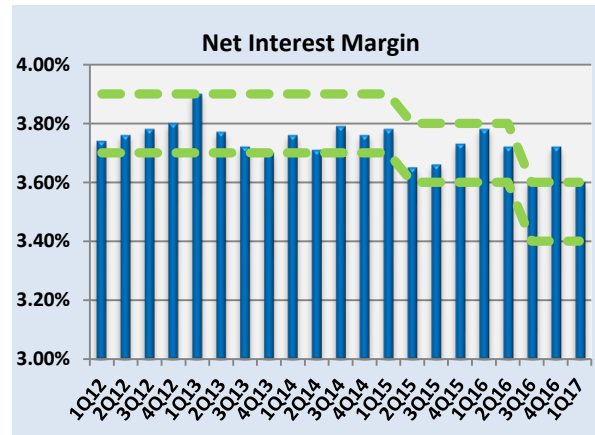
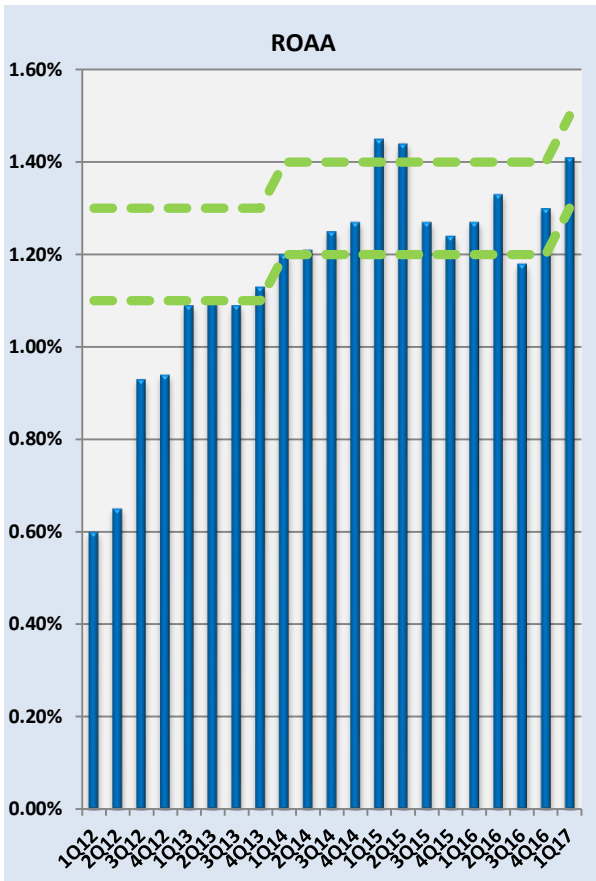


--- : Reflects historical operating ranges for NPA/ Loans & OREO and Classified Asset Ratio. Reflects target ranges resulting from the annual corporate strategic planning process for NCOs.

\*: excluding tax effected merger-related charges

# 1Q17 Summary Results – GAAP Measures

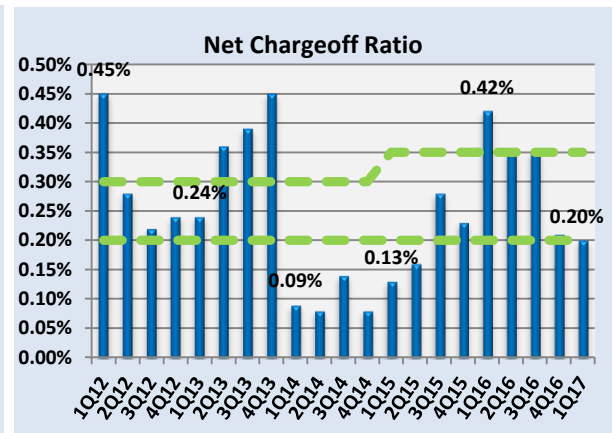
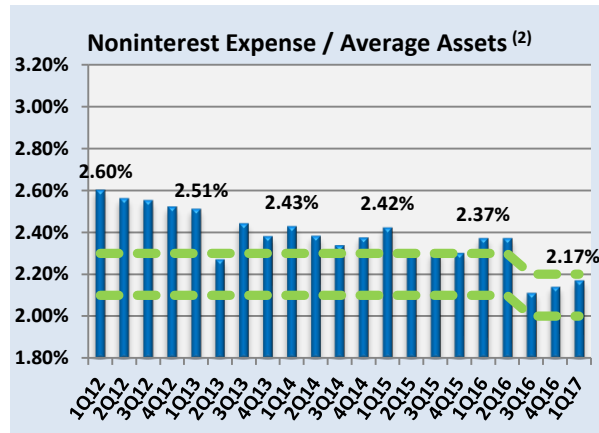
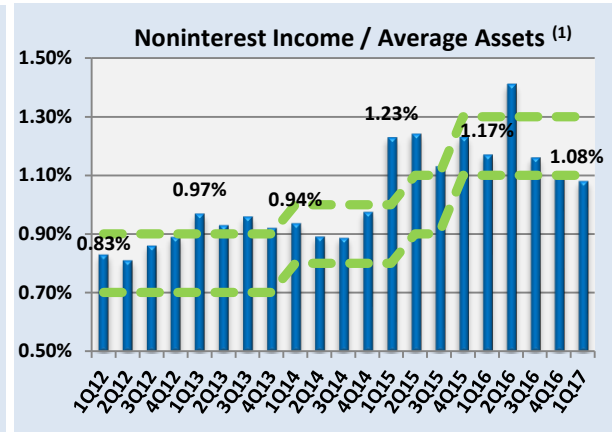
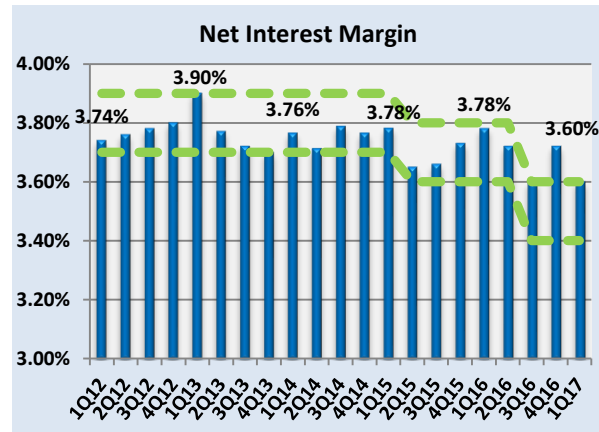
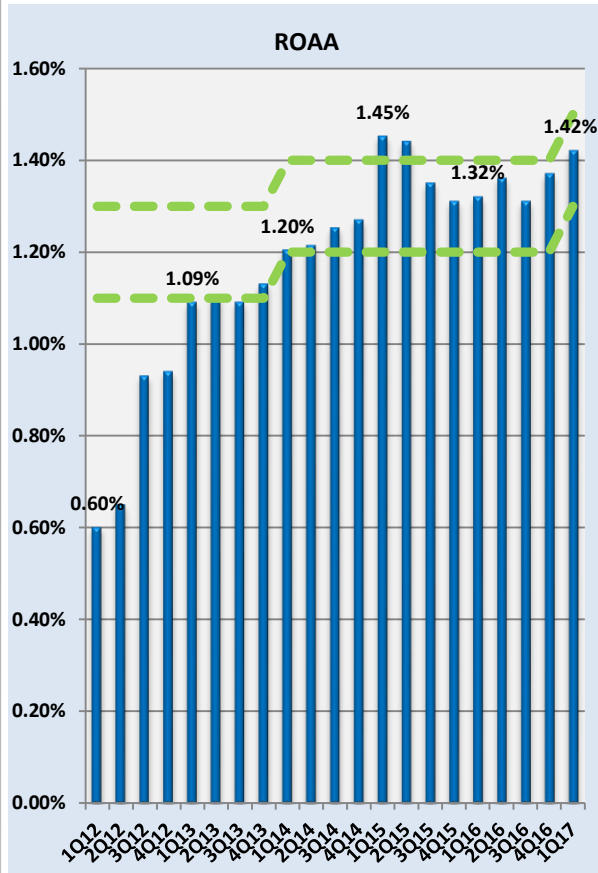
Pinnacle delivers against lofty strategic targets



--- : Reflects targets resulting from the annual corporate strategic planning process for the then current period.

# 1Q17 Summary Results – Non-GAAP Measures

## Pinnacle delivers against lofty strategic targets



(1) - Calculation excludes net gains and losses on the sale of investment securities and in the second quarter of 2013 noncredit related loan losses

(2) - Calculation excludes OREO expense, FHLB prepayment charges and merger-related charges. Noninterest expense for 2Q13 includes the impact of the reversal of a \$2.0 million allowance for off-balance sheet commitments

--- : Reflects targets resulting from the annual corporate strategic planning process for the then current period.

# 1Q17 Summary Results

Pinnacle's long held philosophy continues to deliver

*Excited  
Associates*



*Engaged  
Clients*



*Enriched  
Shareholders*




# 1Q17 Summary Results

**PNFP continued the infrastructure build to support future rapid growth**

## **1. Pinnacle / BNC merger update**

- Jan. 22 – Announcement of transaction
- Apr. 6 – Regulatory approvals obtained

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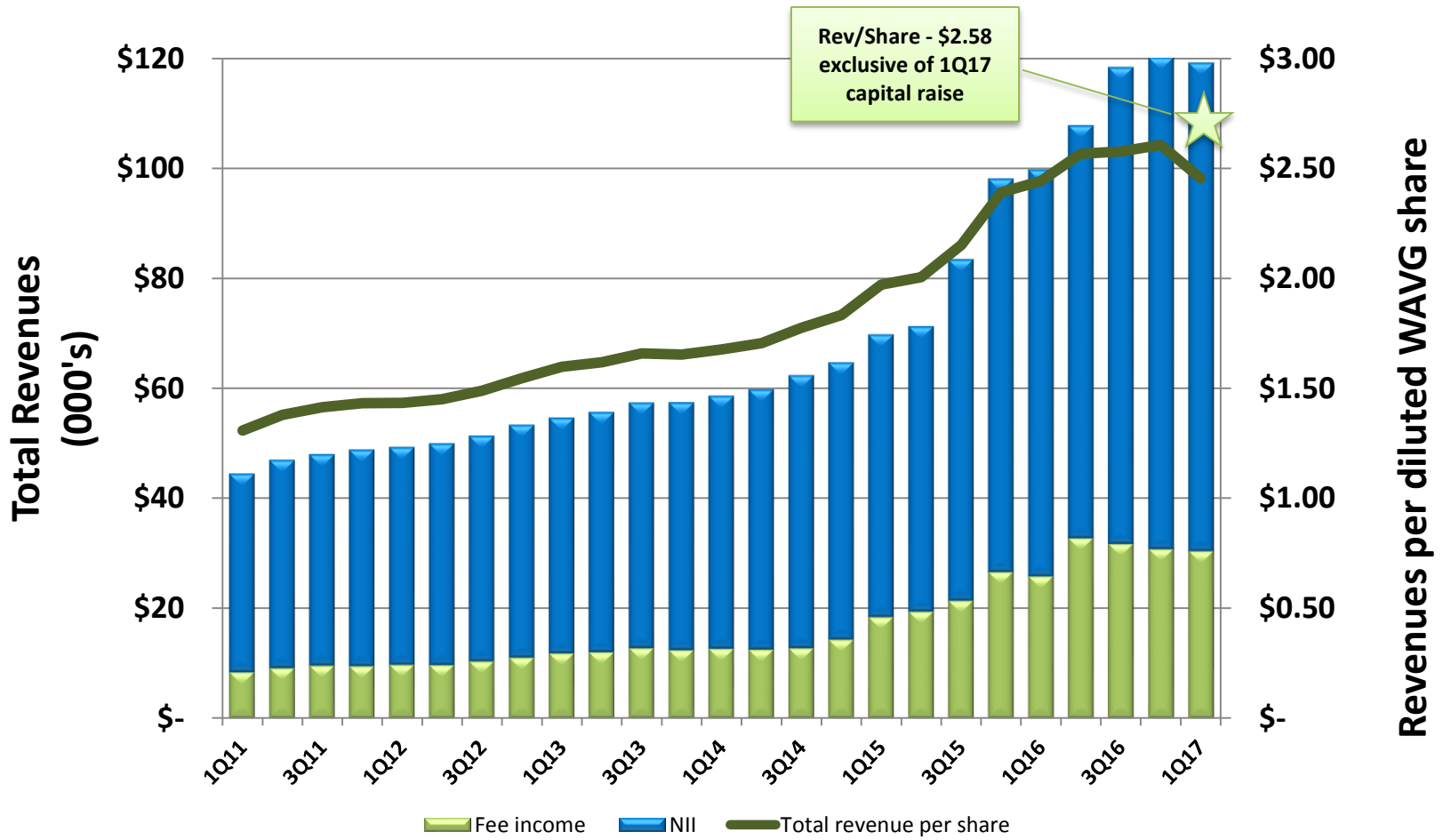
- Mid to Late June – Shareholder meetings anticipated
- Mid June to Early July – Merger close
- September/October – BNCN brand conversion to Pinnacle
- October or November – Legacy Pinnacle systems conversion 
- February 2018 – Final systems conversion for all client accounts
- 2Q18 – Synergy case fully deployed

**2. Aggressive hiring plan– Added 11 revenue producers to our roster. Importantly, 4 in Chattanooga and 5 in Memphis**

**3. Net loan growth strong – 1Q17 net loan growth of \$192 mm for PNFP and \$165 mm for BNC**

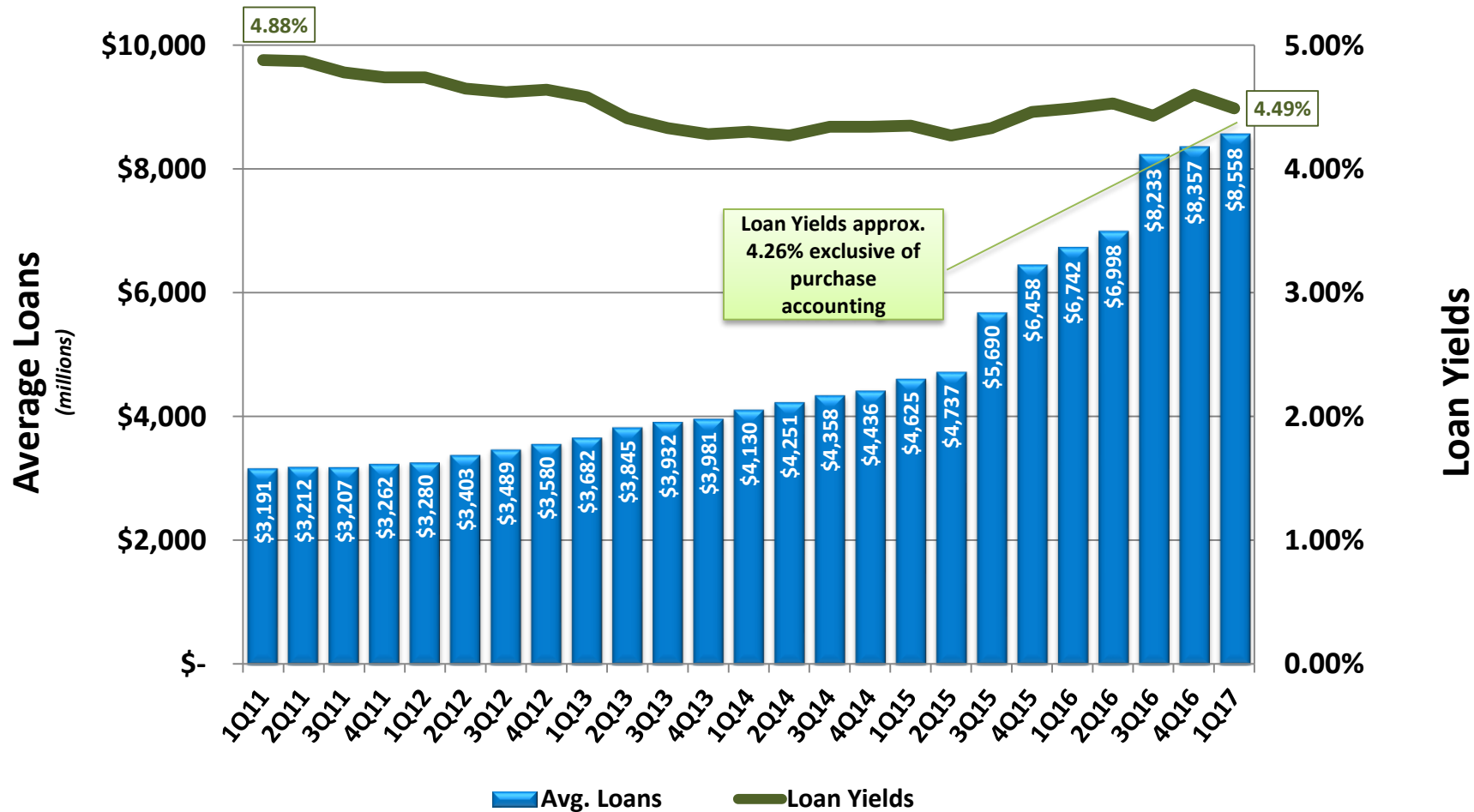
# Loan and Deposit Growth are Keys to Earnings Growth

Strong performance continues in both total revenues and revenues per share



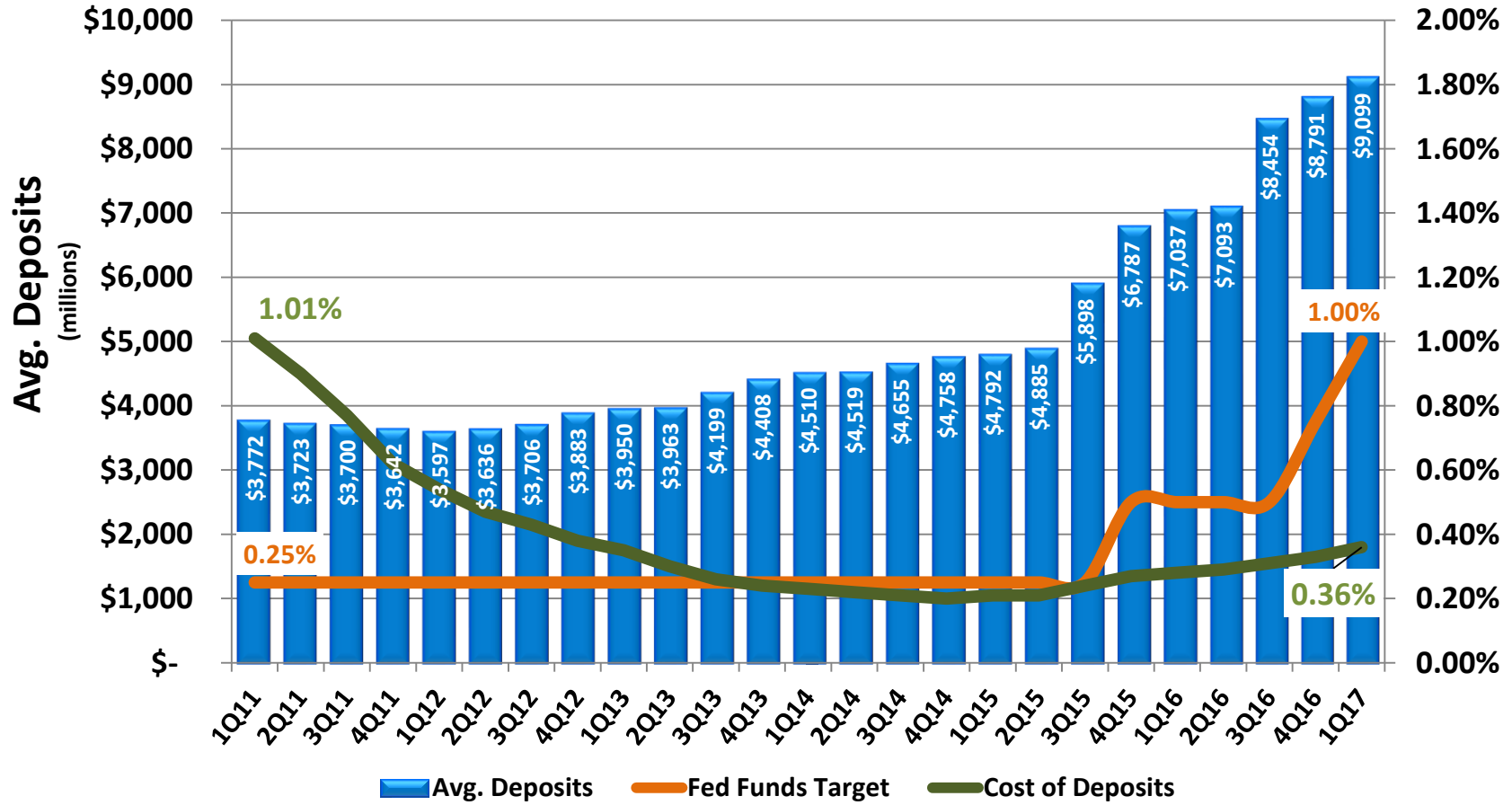
# Loan and Deposit Growth are Keys to Earnings Growth

## Linked-quarter loan volume growth remains strong



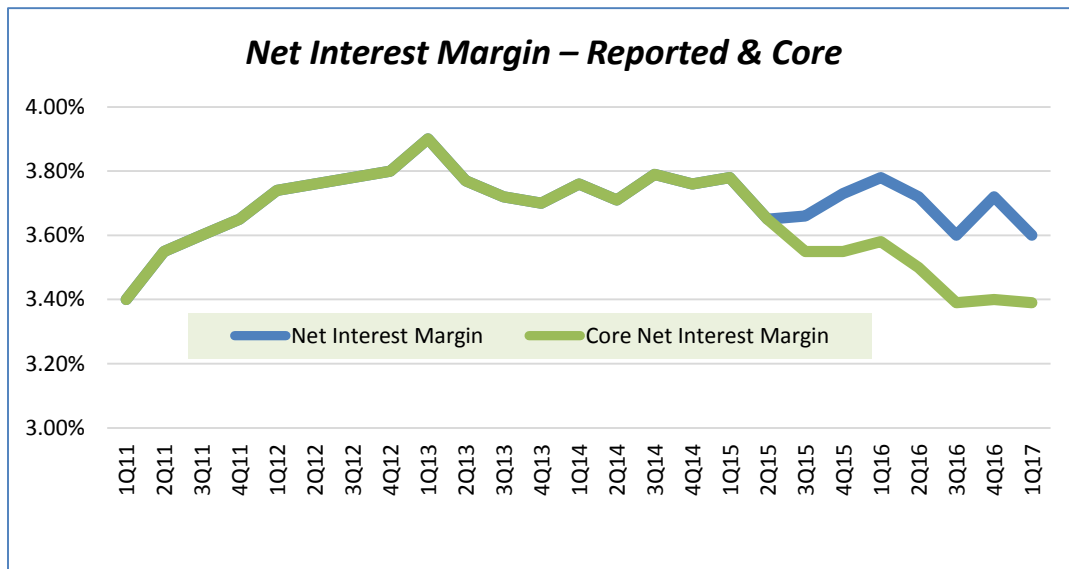
# Loan and Deposit Growth are Keys to Earnings Growth

Average deposit balances grew \$300+ million in 1Q17



# Loan and Deposit Growth are Keys to Earnings Growth

## Core Net Interest Margin Trends Stabilizing



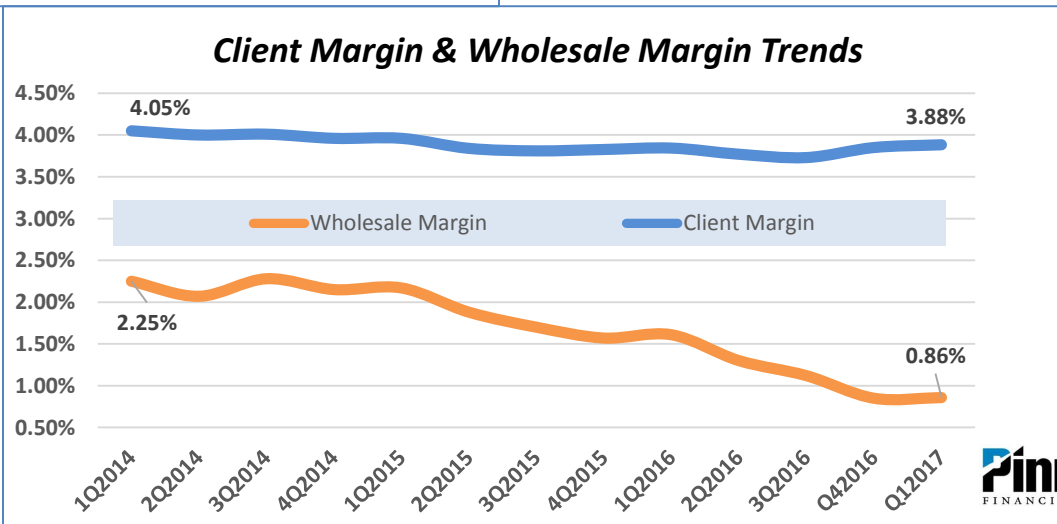
**Core Margin (\*) appears to be stabilizing after moving 40 bps since early 2015**

*(\*) Core excludes impact of discount accretion income; amounts prior to 2015 are insignificant*

**Client margin (#) seeing uptick with Fed funds increases**

**Wholesale margin decreases impacted by sub debt issuances**

*(#) Client margin excludes impact of purchase accounting and nonprime auto loans*



Source: Internal documents

# Loan and Deposit Growth are Keys to Earnings Growth

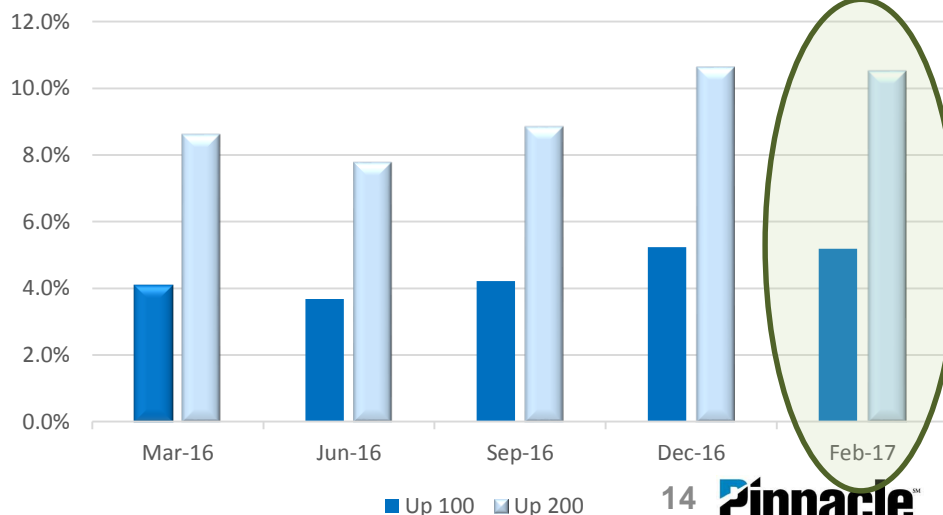
## Balance sheet is well-positioned for rising rates

	Volumes @ March 31, 2017 (in billions)
<i>Prime Rate Loans</i>	<b>\$1.8</b>
<i>30-day Libor</i>	<b>2.4</b>
<i>Overnight cash</i>	<b>0.1</b>
<i>Less: Libor funding</i>	<b>(0.3)</b>
<i>Less: Fed funds funding</i>	<b>(0.5)</b>
<b>Net volumes*</b>	<b>\$3.5</b>

\*: Also affecting net interest income sensitivity are approximately \$5.5 billion in administered rate deposits which consider an approximate 65% beta factor assumption with assumed lag factors.

\*\* : Information from internal records, excludes proposed merger of BNC. Information represents change in net interest income of the Company based on a consistent rate increase each month for 12 months across all tenors of the US Treasury curve – Static Balance Sheet.

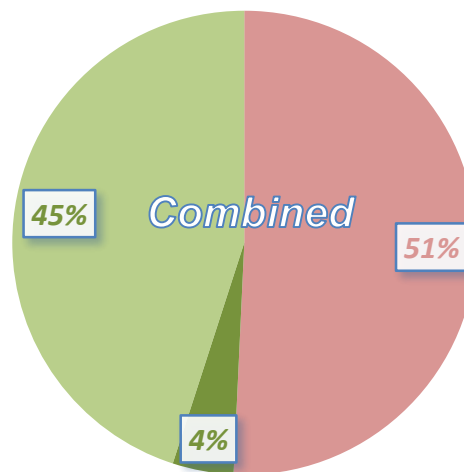
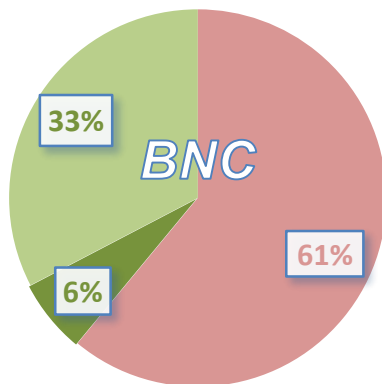
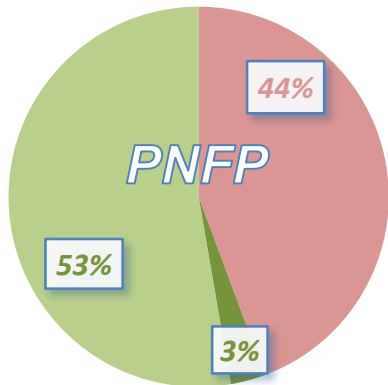
Ramped Asset Sensitivity \*\*



# Loan and Deposit Growth are Keys to Earnings Growth

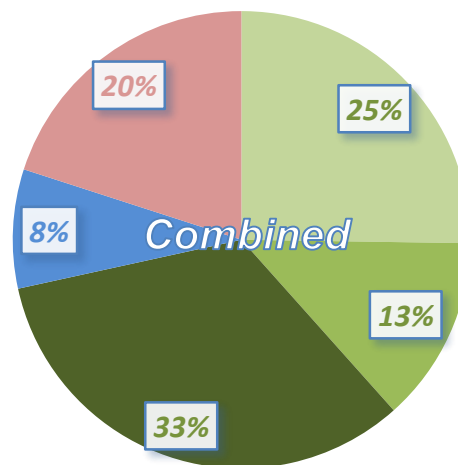
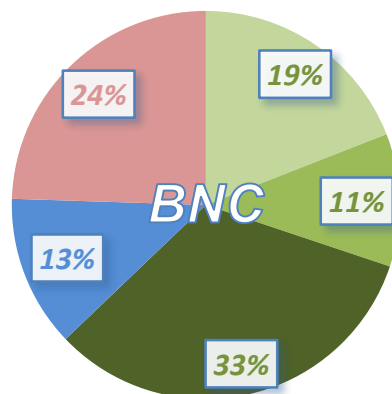
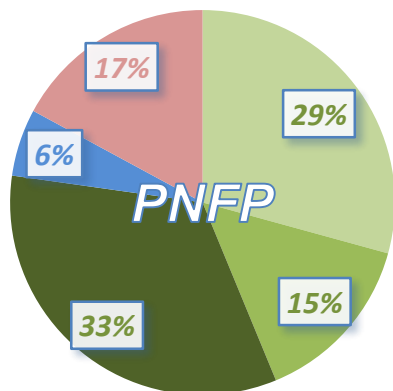
PNFP and BNCN balance sheets combined should produce asset sensitivity

## Earning Asset Composition



- Variable rate assets
- Assets with floors
- Fixed rate assets

## Funding Composition



- DDAs
- Interest Checking
- MMA / Savings
- Core CD's
- Noncore funding

Source: Company information and BNC, purchase accounting not considered, data as of March 31, 2017

# Fee Businesses also Contribute to Earnings Growth

Fee businesses produce another strong quarter – Up 17.5% year-over-year

	1Q17	4Q16	3Q16	2Q16	1Q16
Service charges	\$3,856	\$3,850	\$3,778	\$3,430	\$3,443
Investment services	2,822	3,320	2,592	2,500	2,346
Insurance commissions	1,859	1,178	1,233	1,193	1,706
Gain on mortgage loans sold, net	4,155	2,869	5,097	4,221	3,568
Trust fees	1,705	1,734	1,523	1,492	1,581
Income from equity method investment	7,823	8,136	8,475	9,644	5,148
Other:					
Securities gains (losses)	-	395	-	-	-
Interchange and other consumer fees	6,151	6,171	6,464	5,768	5,819
Bank-owned life insurance	1,099	952	955	878	762
Loan swap fees	261	495	859	1,780	730
Other	651	1,643	716	1,807	755
<b>Total noninterest income</b>	<b>\$30,382</b>	<b>\$30,743</b>	<b>\$31,692</b>	<b>\$32,713</b>	<b>\$25,856</b>
<b>Total Assets (Quarterly Average)</b>	<b>\$11,421,654</b>	<b>\$11,037,557</b>	<b>\$10,883,546</b>	<b>\$9,305,941</b>	<b>\$8,851,978</b>
<b>Noninterest income/Average Assets</b>	<b>1.08%</b>	<b>1.11%</b>	<b>1.16%</b>	<b>1.41%</b>	<b>1.17%</b>

# PNFP Focuses on Strategic Expense Management

## 1Q17 expenses remain inside strategic targets

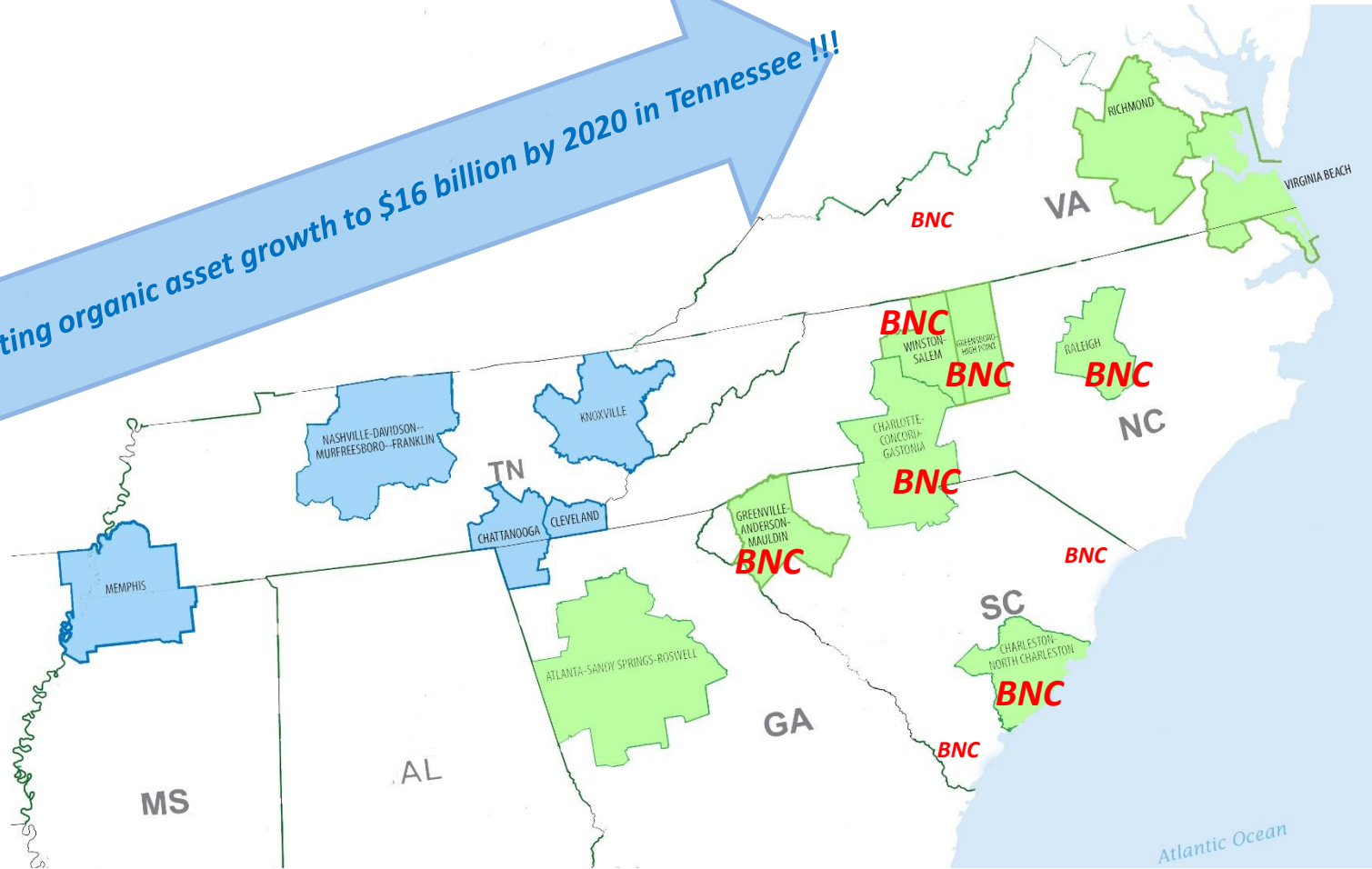
	1Q17	4Q16	3Q16	2Q16	1Q16
Salaries and benefits	\$38,352	\$37,994	\$36,053	\$34,254	\$32,517
Equipment and occupancy	9,675	9,228	9,401	8,312	8,130
Other real estate owned	252	44	17	222	112
Marketing and business development	1,879	2,386	1,350	1,538	1,263
Postage and supplies	1,196	1,000	922	1,050	957
Intangible amortization	1,196	1,137	1,425	847	873
Merger related expense	672	3,264	5,672	980	1,830
Other expenses	8,831	7,712	8,686	8,727	8,382
<b>Total noninterest expense</b>	<b>\$62,053</b>	<b>\$62,765</b>	<b>\$63,526</b>	<b>\$55,931</b>	<b>\$54,064</b>
Efficiency ratio	52.1%	52.2%	53.7%	51.9%	54.2%
Expense/Total Average Assets	2.20%	2.26%	2.32%	2.42%	2.46%
<b>Core noninterest expense **</b>	<b>\$61,130</b>	<b>\$59,457</b>	<b>\$57,837</b>	<b>\$54,729</b>	<b>\$52,122</b>
<b>Core efficiency ratio</b>	<b>51.3%</b>	<b>49.6%</b>	<b>48.9%</b>	<b>50.8%</b>	<b>52.2%</b>
<b>Core Noninterest Expense **/Total Average Assets</b>	<b>2.17%</b>	<b>2.14%</b>	<b>2.11%</b>	<b>2.37%</b>	<b>2.37%</b>

\*\* Excludes the impact of OREO expense, FHLB prepayment charges and merger related expenses

# PNFP Remains Focused on Long-term Shareholder Value

High growth urban markets across the Southeast provide further opportunity

Targeting organic asset growth to \$16 billion by 2020 in Tennessee !!!



# PNFP Remains Focused on Long-term Shareholder Value

## PNFP is getting great traction in recent market extensions

	Market	At 3/31/17	At 12/31/16	At 12/31/15	1Q17 Net % change
Loans (000's)	Memphis	763	736	458	3.7%
	Chattanooga	853	800	708	6.6%
Core Deposits (000's)	Memphis	716	661	385	8.3%
	Chattanooga	673	559	505	20.4%
Revenue Producers	Memphis	52	47	40	
	Chattanooga	38	34	23	

# PNFP Remains Focused on Long-term Shareholder Value

## Opportunities likely exist for de novo or merger related expansion

### M&A Criteria

- At least \$1 billion in assets
- Commercial thrust
- Management continuation
- Sustainable core profitability
- Capacity to achieve mass in market
- >5% EPS accretion in first full year

### De novo Sizing

- Nashville, Knoxville experience
  - Approximately \$2.0 million in cumulative losses prior to break-even
  - Approximately 12-18 months to break-even
- Key management with capacity to build \$2.0 billion bank – no LPO
- 15-20 associates in initial hiring phase

# PNFP Remains Focused on Long-term Shareholder Value

## PNFP is focused on Tennessee and the Southeast

1. Continuation of current high growth, high profit plan
2. Explore expansion to other high growth southeastern markets

Q&A –

# First Quarter 2017 Investor Call



# Supplemental Information

## Chart

- *Balance Sheet*
- *Asset Quality*
- *Income Statement*
- *Pinnacle Financial Partners profile*
- *Economic and Market Conditions*

# Supplemental Information

## Balance Sheet

# Balance Sheet

## Loan portfolio is well diversified

	<b>Amts. 1Q17</b>	<b>%'s(*) 1Q17</b>	<b>Amts. 4Q16</b>	<b>%'s(*) 4Q16</b>	<b>Amts. 1Q16</b>	<b>%'s(*) 1Q16</b>	<b>Amts. 1Q15</b>	<b>%'s 1Q15</b>
C&D and Land	\$1,015.1	11.8%	\$912.7	10.8%	\$764.1	11.2%	\$324.5	7.0%
Consumer RE	1,196.4	13.8%	1,185.9	14.0%	1,042.3	15.3%	723.9	15.6%
CRE – Owner Occ.	1,399.5	16.2%	1,354.9	16.0%	1,099.7	16.1%	767.3	16.5%
CRE – Investment	1,386.4	16.0%	1,444.2	17.1%	995.8	14.6%	609.8	13.1%
Other RE loans	395.7	4.6%	394.4	4.7%	245.3	3.6%	183.6	4.0%
<b>Total real estate</b>	<b>5,393.1</b>	<b>62.4%</b>	<b>5,292.1</b>	<b>62.6%</b>	<b>4,147.2</b>	<b>60.8%</b>	<b>2,609.1</b>	<b>56.2%</b>
C&I	2,980.8	34.5%	2,891.7	34.2%	2,434.6	35.6%	1,810.8	39.0%
Other loans	268.1	3.1%	266.1	3.1%	246.1	3.6%	225.4	4.9%
<b>Total loans</b>	<b>\$8,642.0</b>	<b>100.0%</b>	<b>\$8,449.9</b>	<b>100.0%</b>	<b>\$6,827.9</b>	<b>100.0%</b>	<b>\$4,645.3</b>	<b>100.0%</b>

(\*) as a percentage of total loans

# Balance Sheet

## Construction portfolio reflects discipline

	Amts. 1Q17	%'s(*) 1Q17	Amts. 4Q16	%'s(*) 4Q16	Amts. 1Q16	%'s(*) 1Q16	Amts. 1Q15	%'s(*) 1Q15
Residential – Spec	\$200.7	2.3%	\$195.7	2.3%	\$120.9	1.9%	\$39.0	0.8%
Residential – Custom	96.9	1.1%	81.9	1.0%	97.1	1.4%	36.0	0.8%
Residential – Condo	5.6	0.1%	5.2	0.1%	15.3	0.2%	2.4	0.1%
Commercial Construct.	429.8	5.0%	347.1	4.1%	280.7	4.1%	143.7	3.1%
Land Dev– Residential	111.2	1.3%	116.3	1.4%	88.3	1.3%	64.3	1.4%
Land Dev – Commercial	167.4	2.0%	162.7	1.9%	160.0	2.3%	37.9	0.8%
Land – Unimproved	3.5	0.0%	3.8	0.1%	1.8	0.0%	1.1	0.0%
<b>Total C&amp;D</b>	<b>\$1,015.1</b>	<b>11.8%</b>	<b>\$912.7</b>	<b>10.8%</b>	<b>\$764.1</b>	<b>11.2%</b>	<b>\$324.4</b>	<b>7.0%</b>

(\*) as a percentage of total loans

# Balance Sheet

## The C&I loan portfolio is highly diversified

NAICS Sector Description	1Q17	4Q16	1Q16
Accommodation and Food Services	3.90%	4.11%	3.93%
Admin. and Support and Waste Mgmt & Remediation	2.69%	2.97%	2.57%
Agriculture, Forestry, Fishing and Hunting	0.12%	0.09%	0.16%
Arts, Entertainment, and Recreation	1.77%	1.73%	1.19%
Construction	4.40%	5.20%	4.42%
Consumer	6.09%	7.21%	6.83%
Educational Services	1.72%	1.80%	1.79%
Finance and Insurance	11.65%	11.30%	10.65%
Health Care and Social Assistance	11.40%	12.29%	14.40%
Information	4.38%	3.62%	2.09%
Management of Companies and Enterprises	0.53%	0.67%	0.14%
Manufacturing	7.59%	7.27%	7.67%
Mining, Quarrying, and Oil and Gas Extraction	0.31%	0.31%	0.02%
Other Services (except Public Administration)	2.21%	2.00%	2.10%
Professional, Scientific, and Technical Services	4.72%	4.73%	3.60%
Public Administration	2.95%	2.92%	3.27%
Real Estate and Rental and Leasing	10.27%	9.79%	11.09%
Retail Trade	8.20%	7.16%	7.88%
Transportation and Warehousing	6.67%	6.69%	7.63%
Utilities	0.04%	0.04%	0.06%
Wholesale Trade	8.38%	8.11%	8.53%
<b>Total C&amp;I Portfolio</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

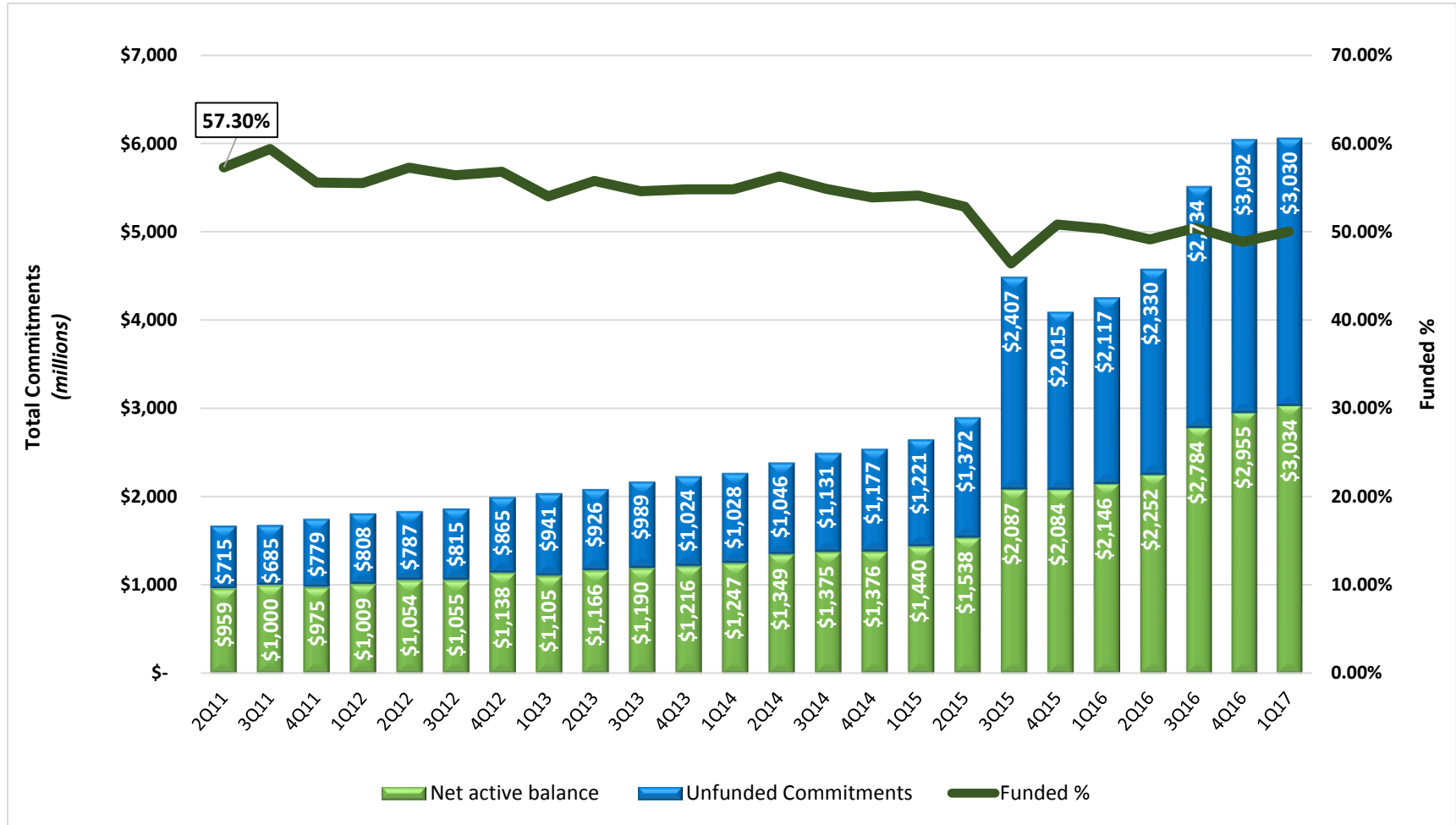
# Balance Sheet

## PNFP remains focused on relationship funding

	3/31/2017	Percent	12/31/2016	Percent
<b>Core Funding:</b>				
Non-interest bearing deposits	\$2,508,680	25.25%	\$2,399,191	24.99%
Interest-bearing deposits	1,869,570	18.82%	1,737,996	18.10%
Money Market accounts	3,345,727	33.68%	3,185,186	33.17%
Time deposits less than \$250,000	564,270	5.68%	512,599	5.34%
<b>Total Core Funding</b>	<b>8,288,247</b>	<b>83.43%</b>	<b>7,834,973</b>	<b>81.60%</b>
<b>Relationship based non-core funding:</b>				
Reciprocal NOW deposits	30,725	0.31%	70,336	0.73%
Reciprocal MMDA deposits	537,624	5.41%	529,744	5.52%
Time deposits				
Reciprocal time deposits	49,331	0.50%	58,838	0.61%
Other time deposits	208,060	2.09%	198,689	2.07%
Securities sold under agreements to repurchase	71,157	0.72%	85,707	0.89%
<b>Total relationship based non-core funding</b>	<b>896,897</b>	<b>9.03%</b>	<b>943,314</b>	<b>9.82%</b>
<b>Wholesale funding:</b>				
Time deposits greater than \$250,000				
Public funds	-	0.00%	-	0.00%
Brokered deposits	166,610	1.68%	66,727	0.69%
FHLB advances	181,264	1.83%	406,304	4.23%
Federal funds purchased	50,000	0.50%	-	0.00%
Sub Debt and other funding	350,849	3.53%	350,768	3.65%
Total wholesale funding	748,723	7.54%	823,799	8.58%
<b>Total non-core funding</b>	<b>1,645,620</b>	<b>16.57%</b>	<b>1,767,113</b>	<b>18.40%</b>
<b>Totals</b>	<b>\$9,933,867</b>	<b>100.00%</b>	<b>\$9,602,086</b>	<b>100.00%</b>

# Balance Sheet

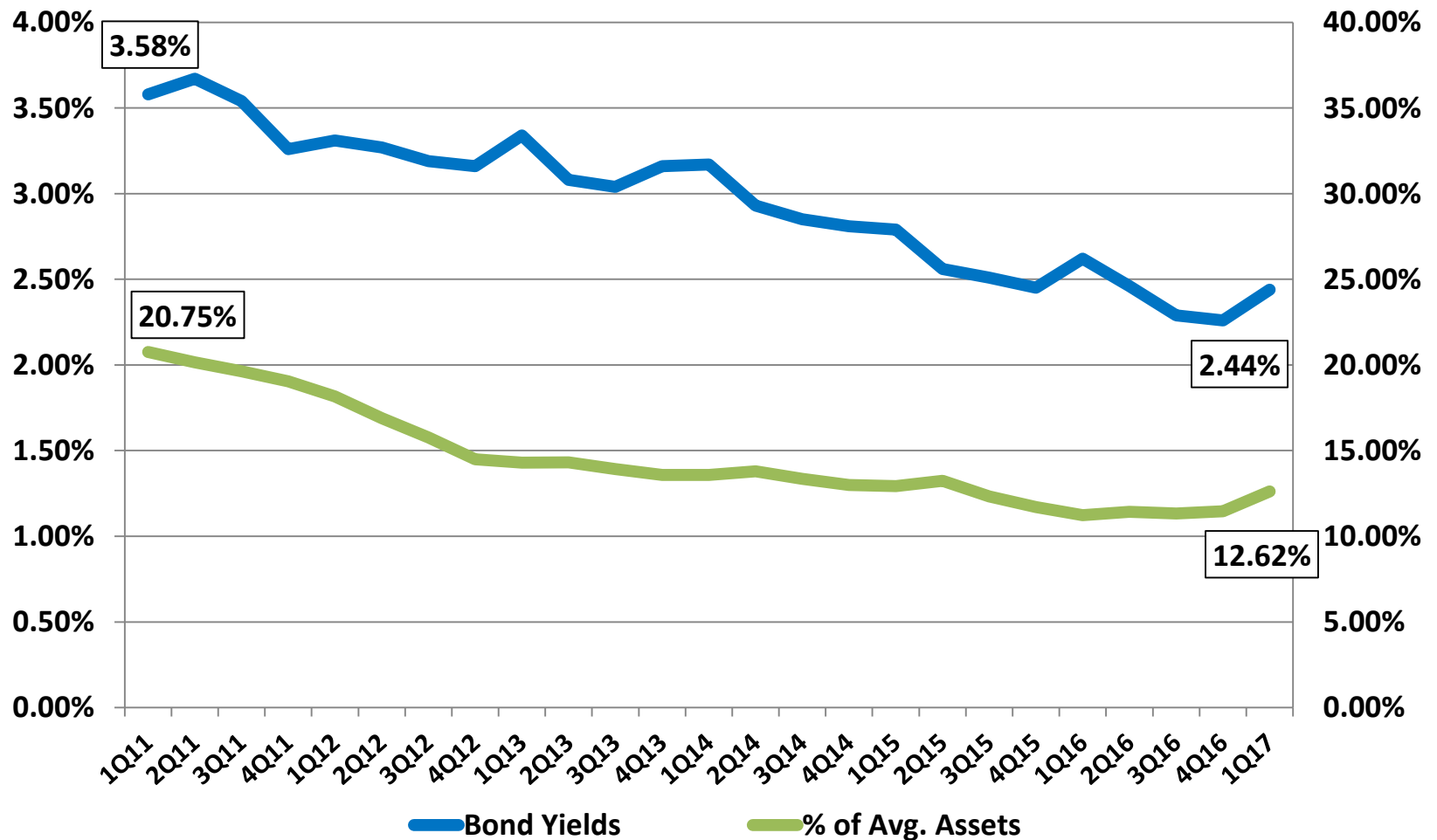
Unfunded line commitments hold potential for significant loan growth



Note: Excludes HELOCs and credit cards

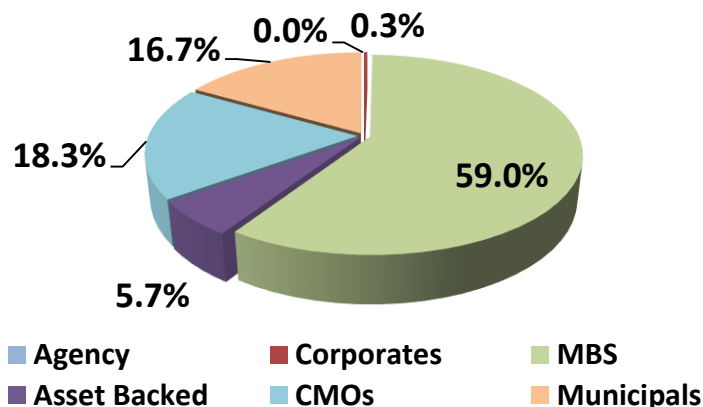
# Balance Sheet

## The securities book yields increase in 1Q17



# Balance Sheet

## Conservative bond portfolio



As of 3/31/2017	Book Yield	Effective Duration
Agency	.99%	.64%
Asset Backed	2.17%	.15%
Corporates	4.10%	3.88%
CMOs	1.95%	1.85%
MBS	2.28%	3.73%
Municipals	4.18%	5.23%
<b>Total</b>	<b>2.44%</b>	<b>3.32%</b>

## Portfolio: March 31, 2017

Total Investments	\$1.605 billion
Unrealized Gain (Loss)	\$ (12.7) million
QTD Purchases	\$ 336.3 million
QTD Sales	\$ 1.4 million

	Duration	Avg Yield – TE
<b>1Q17</b>	<b>3.4%</b>	<b>2.4%</b>
4Q16	3.2%	2.3%
3Q16	2.8%	2.3%
2Q16	2.4%	2.5%
1Q16	2.7%	2.6%
4Q15	3.0%	2.5%
3Q15	2.8%	2.6%

- Investment portfolio at \$1.605 billion, up \$280 million vs Q4 due primarily to investment of capital raise proceeds of \$191.2 mm
- Duration rising gradually as expected through rate tightening cycle
- Investments to Total Assets of 13.7%

# Supplemental Information

## Asset Quality

# Asset Quality

## Past due loans remain very low

(000's)	Mar. 31, 2017	As a % of total loans	Dec. 31, 2016	As a % of total loans	Mar. 31, 2016	As a % of total loans
<b><u>Past Due Loans (*)</u></b>						
Nonaccrual loans**	\$10,011	0.12%	\$10,873	0.13%	\$9,592	0.14%
Accruing loans	14,684	0.17%	22,331	0.26%	22,064	0.32%
<b>Total past due</b>	<b>\$24,695</b>	<b>0.29%</b>	<b>\$33,204</b>	<b>0.39%</b>	<b>\$31,656</b>	<b>0.46%</b>

(\*) ≥ 30 days past due

(\*\*) includes purchase credit impaired loans

# Asset Quality

NPLs and loans >90 days past due & accruing remain very low

(000's)	PNFP NPLs and >90 days					
	Mar. 31, 2017	As a % of total loans	Dec. 31, 2016	As a % of total loans	Mar. 31, 2016	As a % of total loans
Const. and land development	\$4,112	0.05%	\$6,613	0.08%	\$7,963	0.12%
Consumer RE	8,857	0.10%	8,127	0.10%	10,196	0.15%
CRE – Owner Occupied	3,401	0.04%	4,254	0.05%	4,545	0.07%
CRE – Investment	649	0.01%	666	0.01%	814	0.01%
Total real estate	17,019	0.20%	19,661	0.23%	23,518	0.34%
C&I	7,258	0.08%	7,495	0.09%	19,276	0.28%
Other	1,884	0.02%	1,556	0.02%	4,286	0.06%
Total loans	\$26,161	0.30%	\$28,711	0.34%	\$47,080	0.69%

*NPLs Expressed as a % of Total Loans within each Category*

# Asset Quality

## Classified assets remain low

	(in thousands)		
	Balances Mar. 31, 2017	Balances Dec. 31, 2016	Balances Mar. 31, 2016
<b>Classified loans and ORE:</b>			
- Substandard commercial loans	\$138,720	\$148,460	\$155,125
- Doubtful commercial loans	1	1	-
- Other impaired loans	11,262	9,820	17,639
- 90 days past due and accruing (*)	1,110	1,134	4,556
- Other real estate	6,235	6,090	4,687
- Other repossessed assets	-	-	651
<b>Total</b>	<b>\$157,328</b>	<b>\$165,505</b>	<b>\$182,658</b>
<b>Pinnacle Bank classified asset ratio</b>	<b>12.9%</b>	<b>16.4%</b>	<b>24.2%</b>

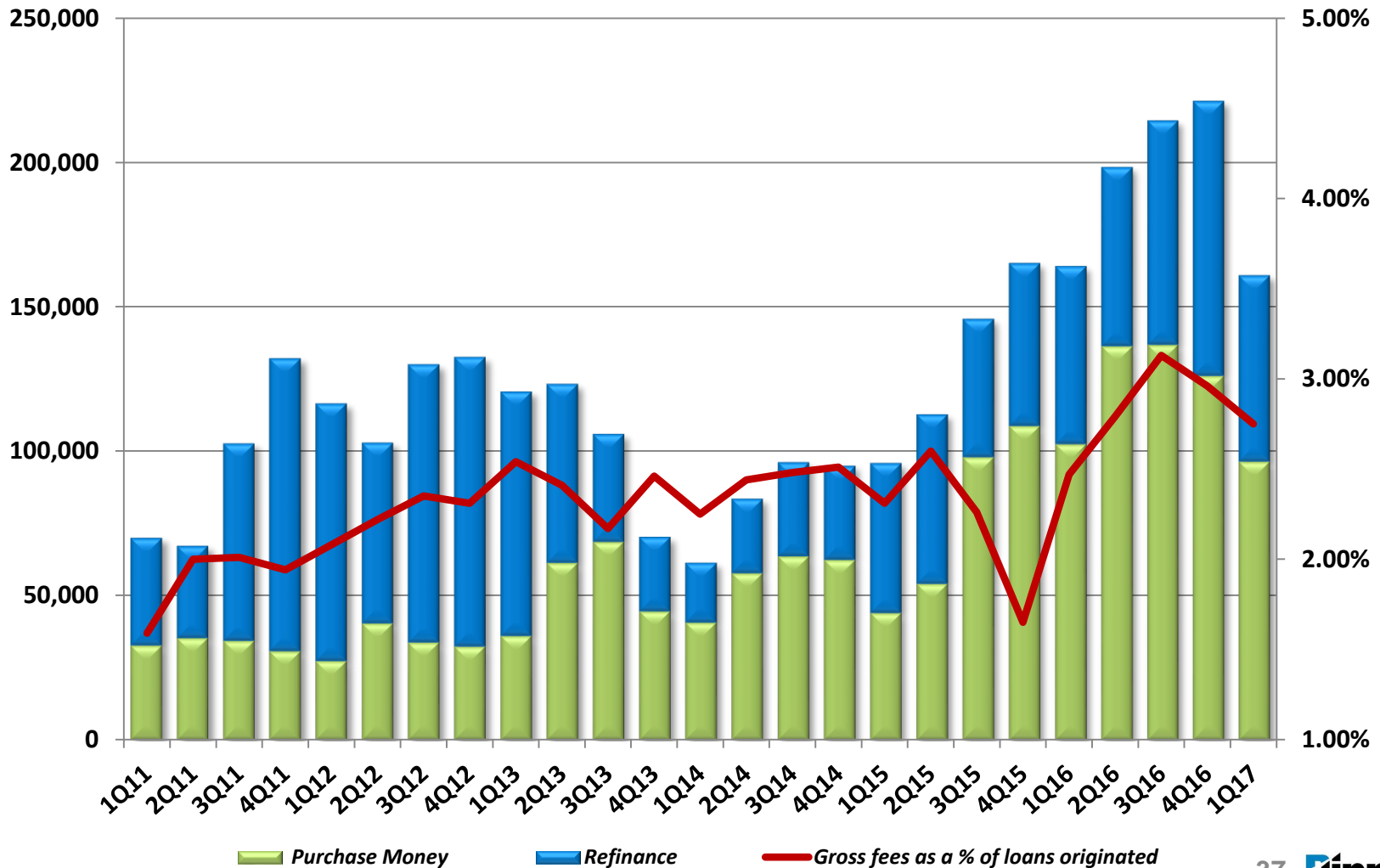
(\*) Includes loans 90 days past due and accruing not included elsewhere

# Supplemental Information

## Income Statement

# Income Statement

## Mortgage volumes strong in 1Q17



# Income Statement

## Reconciliation of Non-GAAP measures

	1Q17	4Q16	3Q16	2Q16	1Q16
Net interest income	\$88,767	\$89,413	\$86,635	\$75,044	\$73,902
Total noninterest income	\$30,382	\$30,743	\$31,692	\$32,713	\$25,856
Less: Securities (gains) losses	-	(395)	-	-	-
Noninterest income, excluding investment (gains) and losses on sales of securities, net	\$30,382	\$30,347	\$31,692	\$32,713	\$25,856
Total noninterest expense	\$62,054	\$62,765	\$63,526	\$55,931	\$54,064
Less: ORE expenses	252	44	17	222	112
Merger-related charges	672	3,264	5,672	980	1,830
Noninterest expense, excluding the impact of ORE expense and merger-related charges	\$61,130	\$59,457	\$57,837	\$54,729	\$52,122
Adjusted pre-tax pre-provision income	\$58,019	\$60,304	\$60,490	\$53,028	\$47,636
Efficiency ratio	52.1%	52.2%	53.7%	51.9%	54.2%
Adjustment due to securities gains and losses, ORE expense and merger-related charges	(0.8%)	(2.6%)	(4.8%)	(1.1%)	(2.0%)
Core Efficiency ratio**	51.3%	49.6%	48.9%	50.8%	52.2%

\*\* : Excluding ORE expense, merger-related charges and securities gains and losses

# Income Statement

## Reconciliation of Non-GAAP measures

	1Q17	4Q16	3Q16	2Q16	1Q16
Total non-interest income	\$30,382	\$30,743	\$31,692	\$32,713	\$25,856
Less: Securities (gains) losses	-	(395)	-	-	-
Noninterest income, excluding the impact of net gains and losses on sale of investment securities	\$30,382	\$30,347	\$31,692	\$32,713	\$25,856
Total noninterest expense	\$62,054	\$62,765	\$63,526	\$55,931	\$54,064
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Merger-related charges	672	3,264	5,672	980	1,830
Noninterest expense, excluding ORE expense and merger-related charges	\$61,130	\$59,457	\$57,837	\$54,728	\$52,122
Adjusted pre-tax pre-provision income	\$58,019	\$60,304	\$60,490	\$53,028	\$47,636
Total Assets (Quarterly Average)	\$11,421,654	\$11,037,557	\$10,883,546	\$9,305,941	\$8,851,978
Noninterest income/ Average assets	1.08%	1.11%	1.16%	1.41%	1.17%
Adjustment due to gains and losses on sale of investment securities	-	-	-	-	-
Noninterest income, excluding the impact of net gains and losses on sale of investment securities/Average Assets	1.08%	1.11%	1.16%	1.41%	1.17%
Noninterest expense/ Average assets	2.20%	2.26%	2.32%	2.42%	2.46%
Adjustment due to ORE expense and merger-related charges	(0.03%)	(0.12%)	(0.21%)	(0.05%)	(0.09%)
Noninterest expense, excluding ORE expense and merger-related charges/ Average Assets	2.17%	2.14%	2.11%	2.37%	2.37%

# Income Statement

## Reconciliation of Non-GAAP measures

	1Q17	4Q16	3Q16	2Q16	1Q16
Net income	\$39,653	\$36,097	\$32,376	\$30,787	\$27,965
Merger-related charges	672	3,264	5,672	980	1,830
Tax effect on merger-related charges	(264)	(1,281)	(2,225)	(385)	(718)
Net income less merger-related charges	\$40,061	\$38,080	\$35,823	\$31,382	\$29,077
Basic earnings per share	\$0.83	\$0.79	\$0.71	\$0.75	\$0.70
Adjustment to basic earnings per share due to merger-related charges	0.01	0.05	0.08	0.01	0.03
Basic earnings per share excluding merger-related charges	\$0.84	\$0.84	\$0.79	\$0.76	\$0.73
Diluted earnings per share	\$0.82	\$0.78	\$0.71	\$0.73	\$0.68
Adjustment to diluted earnings per share due to merger-related charges	0.01	0.05	0.07	0.02	0.03
Diluted earnings per share excluding merger-related charges	\$0.83	\$0.83	\$0.78	\$0.75	\$0.71
Book value per share	\$34.61	\$32.28	\$31.97	\$29.92	\$29.26
Adjustment due to goodwill, core deposit and other intangible assets	(11.36)	(12.22)	(12.28)	(10.34)	(10.51)
Tangible book value per share	\$23.25	\$20.06	\$19.69	\$19.58	\$18.75

# Income Statement

## Reconciliation of Non-GAAP measures

	1Q17	4Q16	3Q16	2Q16	1Q16
Net income	\$39,653	\$36,097	\$32,376	\$30,787	\$27,965
Merger-related charges	672	3,264	5,672	980	1,830
Tax effect on merger-related charges	(264)	(1,281)	(2,225)	(385)	(718)
Net income less merger-related charges	\$40,061	\$38,080	\$35,823	\$31,382	\$29,077
Return on average assets	1.41%	1.30%	1.18%	1.33%	1.27%
Adjustment due to merger-related charges	0.01%	0.07%	0.13%	0.03%	0.05%
Return on average assets (excluding merger-related charges)	1.42%	1.37%	1.31%	1.36%	1.32%
Average stockholders' equity	\$1,723,075	\$1,493,684	\$1,442,440	\$1,247,762	\$1,188,153
Less: Average goodwill	(551,548)	(551,042)	(541,153)	(431,155)	(430,228)
Average core deposit and other intangible assets	(14,674)	(15,724)	(11,296)	(9,367)	(10,237)
Net Average tangible common equity	\$1,090,850	\$926,918	\$889,991	\$807,240	\$747,688
Return on average common equity	9.70%	9.61%	8.93%	9.92%	9.47%
Adjustment due to goodwill, core deposit and other intangible assets	5.04%	5.88%	5.54%	5.42%	5.57%
Return on average tangible common equity	14.74%	15.49%	14.47%	15.34%	15.04%
Adjustment due to merger related charges	0.15%	0.85%	1.54%	0.30%	0.60%
Return on average tangible common equity (excluding merger-related charges)	14.89%	16.34%	16.01%	15.64%	15.64%
Total average assets	\$11,421,654	\$11,037,555	\$10,883,546	\$9,305,941	\$8,851,978

# Income Statement

## Reconciliation of Non-GAAP measures

	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14	2Q14	1Q14
<b>Client Margin</b>	4.13%	4.24%	4.08%	4.19%	4.19%	4.15%	4.05%	4.04%	4.12%	4.10%	4.10%	4.07%	4.10%
<b>Margin adjustments due to:</b>													
<b>Nonprime Auto Loans</b>	0.02%	0.04%	0.12%	0.16%	0.13%	0.13%	0.13%	0.20%	0.16%	0.14%	0.09%	0.07%	0.05%
<b>Purchase Accounting</b>	0.23%	0.35%	0.23%	0.26%	0.22%	0.20%	0.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Adjusted Client Margin</b>	3.88%	3.85%	3.73%	3.77%	3.84%	3.83%	3.81%	3.84%	3.96%	3.96%	4.01%	4.00%	4.05%

## Pinnacle Financial Partners Profile

# PNFP Profile

Recently completed acquisitions positions firm in four great banking markets



**Headquarters:** Nashville, TN

**Founded:** 2000

**Total assets:** \$11.725 Billion  
(3/31/17)

**Shareholders' equity:** \$1.723 Billion  
(3/31/17)

**Offices:** 30 in 8 Middle-TN counties  
9 in 5 East-TN counties  
5 in West-TN

**Avg. daily trading volume \*\*:** 315,511 shares

**% Institutional ownership:** 68.3%  
(12/31/16)

\*\* : 50 day average daily volume per NASDAQ.com as of 4/7/2017

# PNFP Profile

## PNFP has an extraordinarily experienced team of entrepreneurs

Name	Title	Age	Years in Banking Industry	Years at Pinnacle
M. Terry Turner	President and Chief Executive Officer	61	38	16
Robert A. McCabe, Jr.	Chairman of the Board	66	39	16
Hugh M. Queener	Chief Administrative Officer	60	41	16
Harold R. Carpenter, Jr.	Chief Financial Officer	57	33	16
J. Harvey White	Chief Credit Officer/ Knoxville Regional Executive	67	42	7
D. Kim Jenny	Risk Management Officer	62	41	9
William S. Jones	Rutherford County Area Executive	56	34	24*
J. Edward White	Manager, Client Advisory Group - Nashville	64	41	16
R. Craig Holley	Chattanooga Regional Executive	59	35	10*
Kirk Bailey	Memphis Regional Executive	61	34	17*
Ron Samuels	Former CEO Avenue Financial Holdings, Inc.	70	43	10*
Kent Cleaver	Former President Avenue Financial Holdings, Inc.	60	39	10*

\* - Includes years at acquired franchise.

# PNFP Profile

## PNFP has a track record for “best-in-market” share movement

### Nashville-Davidson-Rutherford MSA

Top 10 Market Share Rank	Holding Company	Market Share 6/30/16	Market Share 6/30/00 <sup>(1)</sup>	Change in Share
3	Pinnacle Financial Partners	11.81%	1.74%	10.07%
6	Franklin Financial Network Inc.	4.53%	-	4.53%
1	Bank of America Corp	16.13%	14.59%	1.54%
5	First Horizon National Corp.	6.51%	5.13%	1.38%
8	Wilson Bank Holding Co.	3.30%	2.34%	0.96%
10	Wells Fargo & Co.	2.80%	2.05%	0.75%
9	Fifth Third Bancorp	2.91%	2.29%	0.62%
7	U.S. Bancorp	3.52%	7.35%	(3.83%)
4	SunTrust Banks Inc.	11.43%	18.60%	(7.17%)
2	Regions Financial Corp.	13.88%	29.06%	(15.18%)
	Other	23.18%	16.87%	6.31%
	Total	100%	100%	

### Knoxville MSA

Top 10 Market Share Rank	Holding Company	Market Share 6/30/16	Market Share 6/30/07 <sup>(1)</sup>	Change in Share
6	Pinnacle Financial Partners	5.26%	0.03%	5.23%
7	Bank of America Corp.	3.80%	2.00%	1.80%
10	Mountain Commerce Bancorp, Inc.	1.78%	0.00%	1.78%
1	SunTrust Banks Inc.	17.86%	16.19%	1.67%
9	Clayton HC Inc.	2.32%	1.10%	1.22%
5	BB&T Corp.	6.46%	6.19%	0.27%
4	Home Federal Bank of TN	9.91%	10.87%	(0.96%)
8	United Community Banks Inc.	2.80%	5.30	(2.50%)
2	First Horizon	16.14%	19.11%	(2.97%)
3	Regions	13.58%	18.25	(4.67%)
	Other	20.09%	19.03%	1.06%
	Total	100%	100%	

**Source:** SNL Financial; Amounts reflect aggregation of banks merged prior to 6/30/16.

**(1):** First year Pinnacle’s deposits were reflected in FDIC Summary of Deposits data. Market share at 6/30/00 for Nashville reflects impact of Cavalry Bancorp, Inc. which was acquired by Pinnacle in March of 2006. Market share at 6/30/16 is pro-forma for inclusion of Avenue Financial Holdings, Inc. which was acquired by Pinnacle July 1, 2016.

# PNFP Profile

## PNFP has a track record for “best-in-market” share movement

### Chattanooga TN-GA MSA

Top 10 Market Share Rank	Holding Company	Market Share 6/30/16	Market Share 6/30/15 <sup>(1)</sup>	Change in Share
7	FB Financial Corporation	3.44%	0.00%	3.44%
10	Atlantic Capital Bancshares, Inc.	3.23%	0.00%	3.23%
<b>4</b>	<b>Pinnacle Financial Partners</b>	<b>6.56%</b>	<b>3.75%</b>	<b>2.81%</b>
1	First Horizon National Corp.	24.61%	23.46%	1.15%
6	Bank of America Corp.	4.34%	3.75%	0.59%
9	Sequatchie Valley Bancshares Inc.	3.30%	3.27%	0.03%
5	First Volunteer Corp.	4.58%	4.74%	(0.16%)
8	SmartFinancial Inc.	3.35%	3.68%	(0.33%)
2	SunTrust Banks Inc.	18.06%	13.13%	(0.34%)
3	Regions Financial Corp.	12.79%	19.42%	(1.36%)
	Other	15.74%	24.80%	(9.06%)
	Total	100%	100%	

### Memphis, TN-MS-AR MSA

Top 11 Market Share Rank	Holding Company	Market Share 6/30/16	Market Share 6/30/15 <sup>(1)</sup>	Change in Share
1	First Horizon National Corp.	33.13%	29.87%	3.26%
4	Bank of America Corp.	4.39%	4.10%	0.29%
6	Independent Holdings Inc.	3.02%	2.83%	0.19%
10	Wells Fargo & Co.	1.85%	1.72%	0.13%
8	Metropolitan BancGroup Inc.	2.11%	1.98%	0.13%
9	Landmark Community Bank	2.11%	2.04%	0.07%
<b>11</b>	<b>Pinnacle Financial Partners</b>	<b>1.68%</b>	<b>1.65%</b>	<b>0.03%</b>
5	BancorpSouth Inc.	3.34%	3.36%	(0.02%)
7	Trustmark Corp.	2.44%	2.85%	(0.41%)
2	Regions Financial Corp.	14.33%	16.14%	(1.81%)
3	SunTrust Banks Inc.	7.73%	10.20%	(2.47%)
	Other	23.87%	22.08%	1.79%
	Total	100%	100%	

Source: SNL Financial; Amounts reflect aggregation of banks merged prior to 2016.

(1): Market share at 6/30/15 for Chattanooga and Memphis reflects impact of the recently completed acquisitions of CapitalMark Bank & Trust and Magna Bank, respectively.

# Supplemental Information

## Economic & Market Conditions

# PNFP operates in advantaged markets

MSA	Total Deposits (\$000)	Total Population 2017 (actual)	Population Change 2010 - 2017 (%)	Median HH Income 2017 (\$)	Per Capita Income 2017 (\$)
Nashville-Davidson--Murfreesboro--Franklin, TN	51,900,622	1,881,524	12.61	57,222	31,399
Memphis, TN-MS-AR	28,030,646	1,347,404	1.70	48,913	26,455
Knoxville, TN	14,651,761	868,453	3.69	47,178	27,570
Chattanooga, TN-GA	9,299,665	552,944	4.70	49,405	27,618
Kingsport-Bristol-Bristol, TN-VA	4,263,979	306,759	(0.90)	41,364	24,422
Clarksville, TN-KY	3,468,934	286,140	9.79	47,605	22,862
Johnson City, TN	2,600,753	201,033	1.17	40,214	24,428
Cookeville, TN	2,226,784	108,782	2.58	37,053	21,819
Jackson, TN	2,161,539	129,338	(0.52)	43,717	24,182
Sevierville, TN	2,091,078	97,687	8.68	43,855	23,528
Cleveland, TN	1,688,794	122,465	5.77	45,659	24,648
Tullahoma-Manchester, TN	1,519,976	102,873	2.66	44,044	24,014
Morristown, TN	1,427,892	117,591	3.19	42,106	21,915
Union City, TN-KY	1,010,526	36,410	(5.72)	38,861	21,784
Crossville, TN	956,921	58,811	4.92	40,728	23,433
Athens, TN	948,822	52,729	0.89	41,640	21,590
McMinnville, TN	823,895	40,775	2.35	37,652	21,247
Greeneville, TN	748,295	68,639	(0.28)	39,025	21,148
Dyersburg, TN	667,944	37,792	(1.42)	44,976	24,781
Shelbyville, TN	661,984	48,088	6.72	44,463	20,979
Tennessee	135,502,447	6,676,841	5.21	47,294	26,752
United States	9,741,234,831	325,139,271	5.31	57,462	31,459

Source: Nielsen

Demographic data is provided by Nielsen based primarily on US Census data. For non-census year data, Nielsen uses samples and projections to estimate the demographic data. SNL performs calculations on the underlying data provided by Nielsen for some of the data presented on this page.

# Pinnacle operates in advantaged markets

## TENNESSEE

- Tennessee is fourth overall and in the top 10 of every category in “Top States for Doing Business”
- Tennessee ranked No. 1 in the nation for job creation from foreign direct investment
- Tennessee ranked No. 3 in the inaugural Prosperity Cup, which is based on the states’ business climate, tax climate, performance in state competitiveness index and number of national career readiness certificates according to ACT.

*Area Development*

IBM Global Location Trends

*Site Selection*

## NASHVILLE

Nashville has achieved “it city” status, landing on several major national publications’ lists of hot spots. Nashville’s diverse economy, thriving cultural base and strong business community are major attractions for corporations. Top accolades in 2016 were:

- Nashville ranked No. 1 among the nation’s 100 largest metros in advanced industry job growth Institution
- Nashville is No. 1 among America’s 50 biggest metropolitan areas with the biggest household income gains *Journal*
- Nashville placed No. 3 among most cost-friendly cities for business among peer metros with between 750,000 and 2 million people. Among the mid-size cities examined, Nashville has the lowest total labor costs and transportation costs.

Brookings

*Wall Street*

KPMG

## KNOXVILLE

Knoxville also enjoys a very healthy and diverse economy with an excellent transportation and technology infrastructure. The Knoxville metropolitan area was the third fastest MSA in the country to fully recover from jobs lost in the 2007-2010 recession and currently enjoys the lowest unemployment rate of Tennessee’s metro areas. Good news in 2016 included:

- Knoxville named one of the ‘American Cities Adding the Most Jobs This Year’
- Knoxville ranks as fifth lowest-cost city for starting a new business

247WallSt.com

SmartAsset

# Pinnacle operates in advantaged markets

## MEMPHIS

Memphis offers a diverse, metropolitan workforce. Over the past three decades, the presence of companies like FedEx and the region's superior distribution infrastructure have earned Memphis the title, "America's Distribution Center."

- Memphis ranks No. 3 in the nation in terms of lowest rent-to-income ratio
- Memphis sees strongest job growth since 1996

SmartAsset

Tennessee Department of Labor and  
Workforce Development

## CHATTANOOGA

Chattanooga is Tennessee's fourth-largest MSA as measured by both population and deposits. National publications have declared Chattanooga a tech hub and manufacturing magnet. Economic drivers in 2016 included:

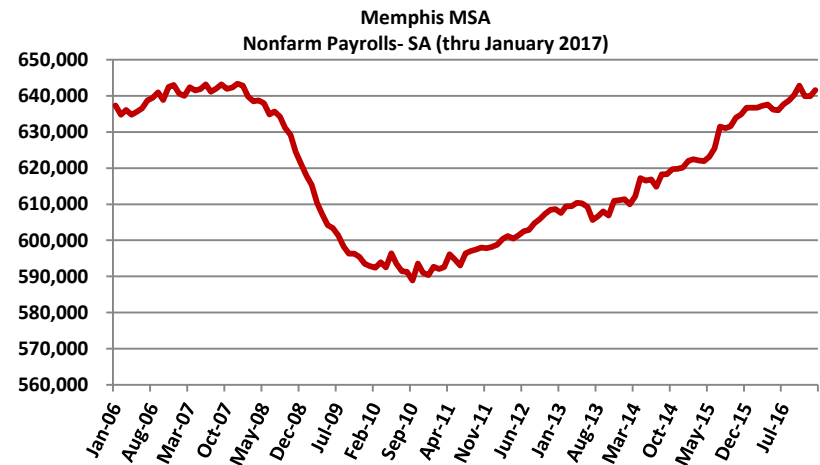
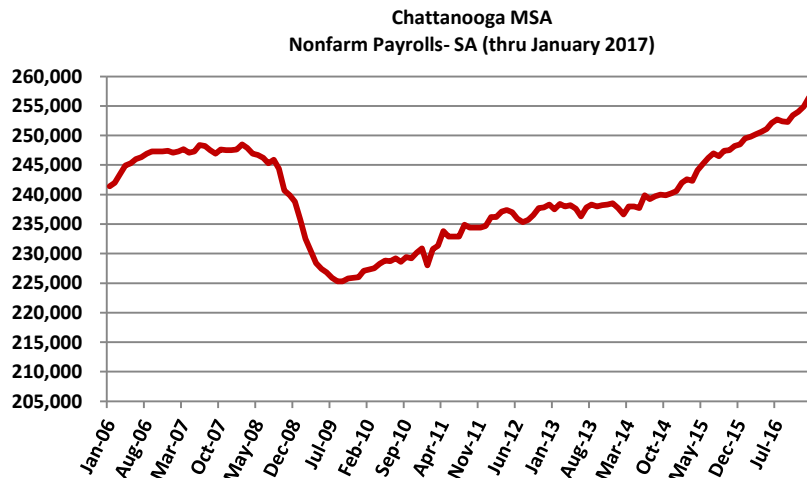
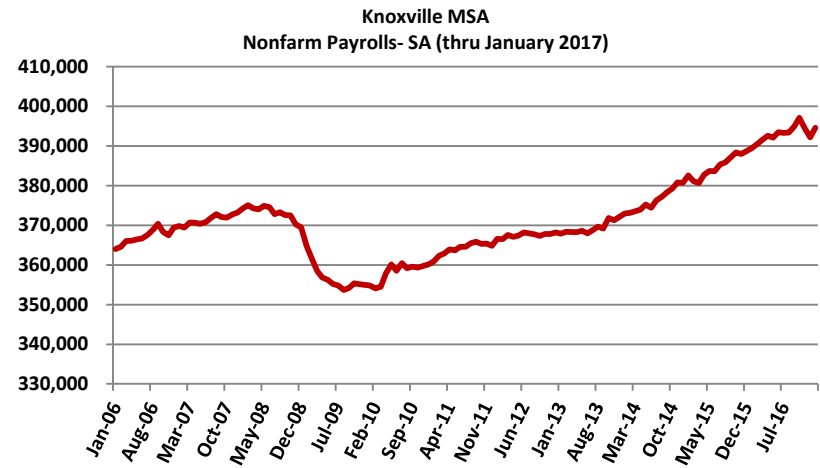
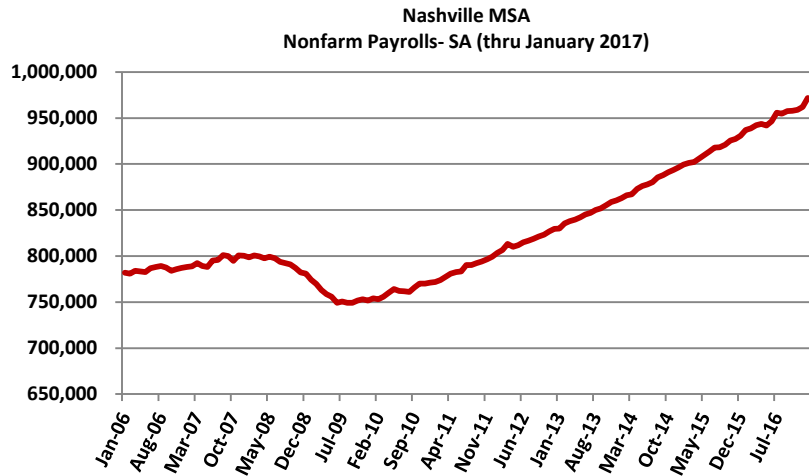
- Chattanooga named among "best communities for retirees"
- Chattanooga ranked No. 4 out of the top 10 metro areas as a top city for minority-owned businesses

*Kiplinger*

SmartAsset

# PNFP operates in advantaged markets

## Job growth is occurring in all four markets



# PNFP Operates in Advantaged Markets

## Nashville's commercial vacancy rates indicate a healthy market

	CRE Vacancy Rates							
	Nashville		Knoxville		Chattanooga		Memphis	
	4Q16	% Change from PY	4Q16	% Change from PY	4Q16	% Change from PY	4Q16	% Change from PY
<b>Industrial / Warehouse</b>	4.0%	(22.4%)	3.4%	(46.7%)	6.3%	(21.0%)	7.1%	(17.1%)
<b>Multifamily</b>	8.0%	22.3%	5.3%	3.3%	5.5%	(19.1%)	9.6%	13.7%
<b>Retail</b>	3.3%	(23.5%)	5.3%	(12.1%)	4.1%	(26.2%)	6.8%	(11.9%)
<b>Office</b>	4.1%	(17.8%)	6.0%	(23.1%)	5.6%	(36.7%)	10.5%	(2.2%)

Source: Costar

Note: 1Q17 rates not available at time of release.

# First Quarter 2017 Investor Call

*M. Terry Turner, President and CEO*  
*Harold R. Carpenter, EVP and CFO*

**April 18, 2017**

