

# Fourth Quarter 2017 Investor Call

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

January 17, 2018



# 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 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) the impact of competition with other financial institutions, including pricing pressures (including those resulting from the Tax Cuts and Jobs Act) and the resulting impact on Pinnacle Financial's results, including as a result of compression to net interest margin; (vii) greater than anticipated adverse conditions in the national or local economies including in Pinnacle Financial's markets throughout Tennessee, North Carolina, South Carolina and Virginia, particularly in commercial and residential real estate markets; (viii) fluctuations or unanticipated changes in interest rates on loans or deposits or that affect the yield curve; (ix) the results of regulatory examinations; (x) the ability to retain large, uninsured deposits; (xi) a merger or acquisition, like Pinnacle Financial's merger with 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 (including as a result of the competitive compensation environment resulting from the Tax Cuts and Jobs Act) 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, and the systems of parties with whom Pinnacle Financial contracts, 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) changes in state and federal legislation, regulations or policies applicable to banks and other financial service providers, like BHG, including regulatory or legislative developments; (xxiv) the risk that the cost savings and any revenue synergies from Pinnacle Financial's merger with BNC may not be realized or take longer than anticipated to be realized; (xxv) disruption from Pinnacle Financial's merger with BNC with customers, suppliers, employee or other business partners relationships; (xxvi) the risk of successful integration of Pinnacle Financial's and BNC's businesses; (xxvii) the amount of the costs, fees, expenses and charges related to Pinnacle Financial's merger with BNC; (xxviii) reputational risk and the reaction of the parties' customers, suppliers, employees or other business partners to Pinnacle Financial's merger with BNC; (xxix) 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; (xxx) the availability and access to capital; (xxxi) adverse results (including costs, fines, reputational harm and/or other negative effects) from current or future litigation, regulatory examinations or other legal and/or regulatory actions; and (xxxii) 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 filed with the SEC and available on the SEC's website at <http://www.sec.gov>. Pinnacle Financial disclaims 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.

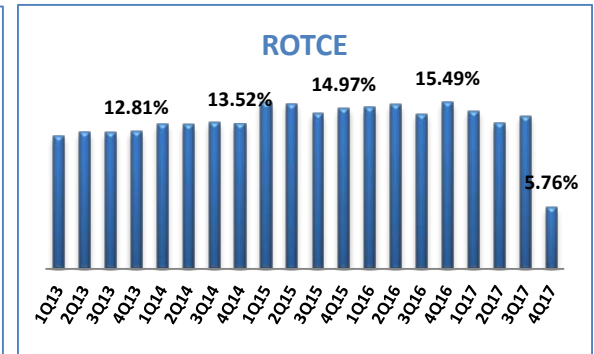
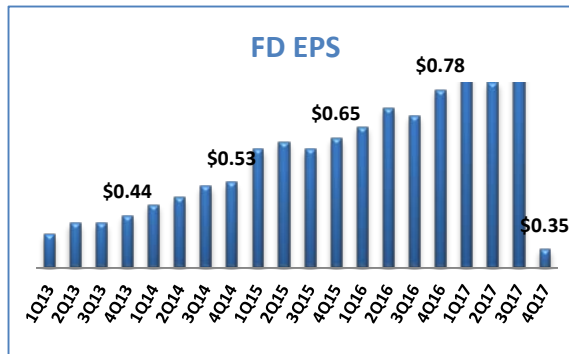
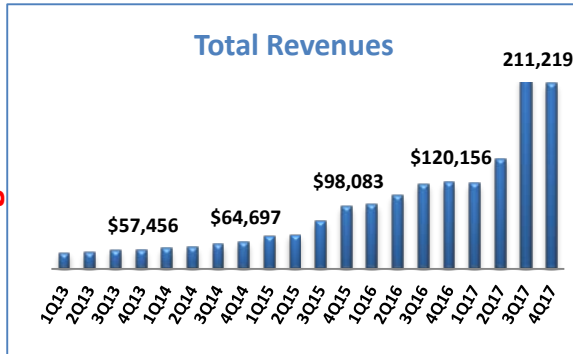
# Safe Harbor Statements

## Non-GAAP Financial Matters

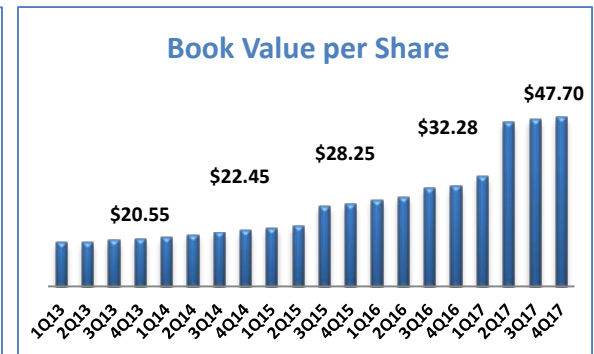
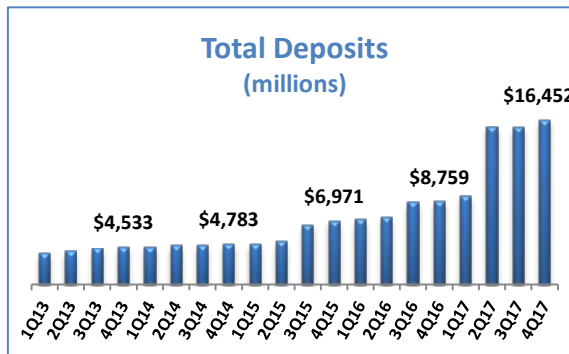
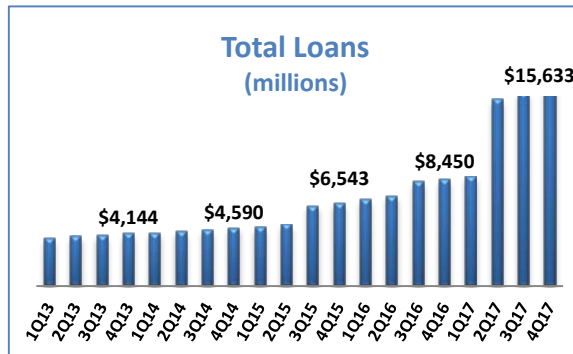
This presentation contains certain non-GAAP financial measures, including, without limitation, earnings per diluted share, efficiency ratio, core net interest margin, noninterest expense and the ratio of noninterest expense to average assets and noninterest expense to the sum of net interest income and noninterest income, in each case excluding the impact of expenses related to other real estate owned, gains or losses on sale of investments, the revaluation of Pinnacle Financial's deferred tax assets and other matters for the accounting periods presented. This presentation also includes non-GAAP financial measures which exclude expenses associated with Pinnacle Financial'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 presentation 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 BNC, Avenue, Magna Bank, CapitalMark Bank & Trust, Mid-America Bancshares, Inc., Cavalry Bancorp, Inc. 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 presentation 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 historical periods versus certain periods in earlier years and to internally prepared projections.

# 4Q17 Summary Results – GAAP Measures

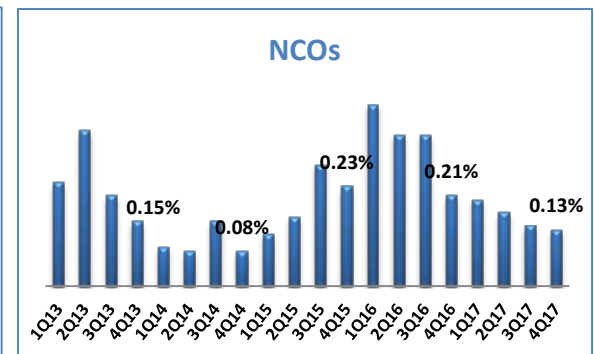
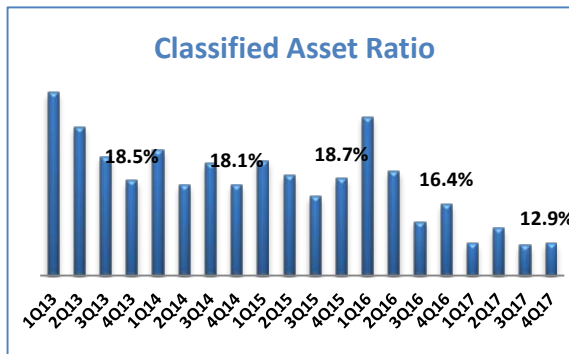
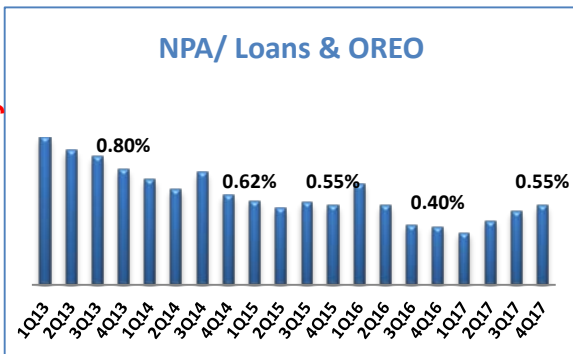
## Earnings Growth



## Balance Sheet Growth

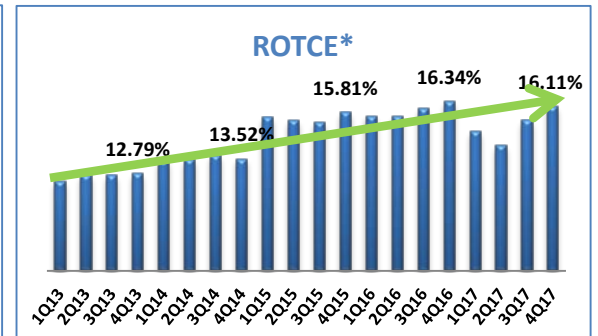
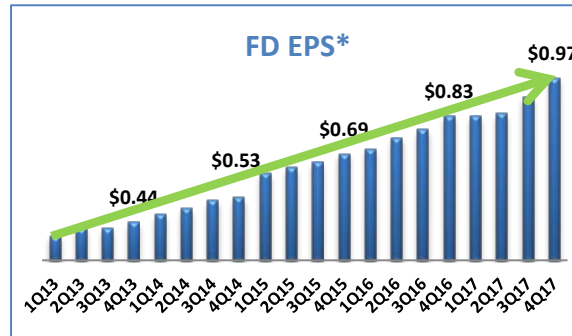
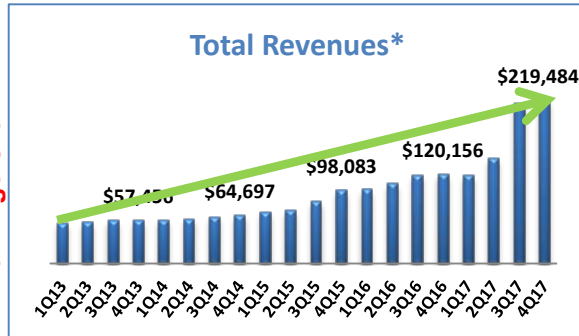


## Asset Quality

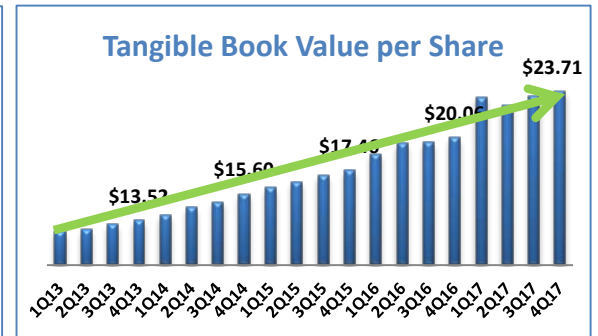
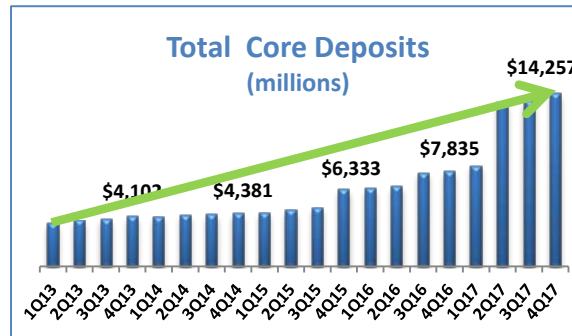
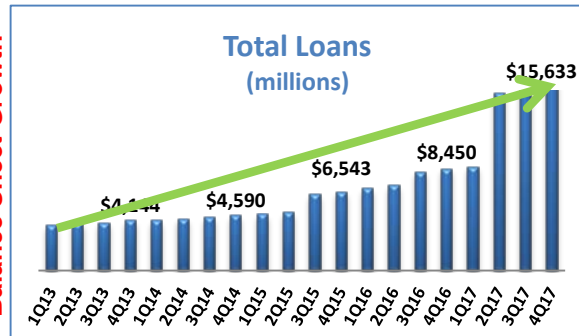


# 4Q17 Summary Results – Non-GAAP Measures

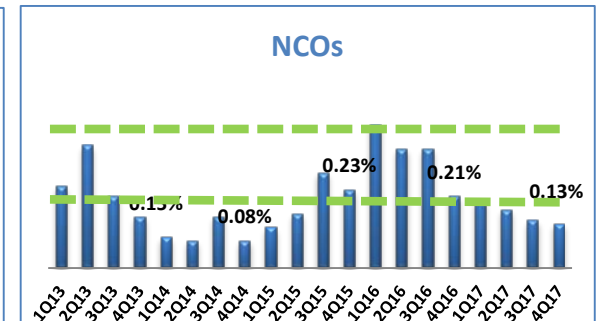
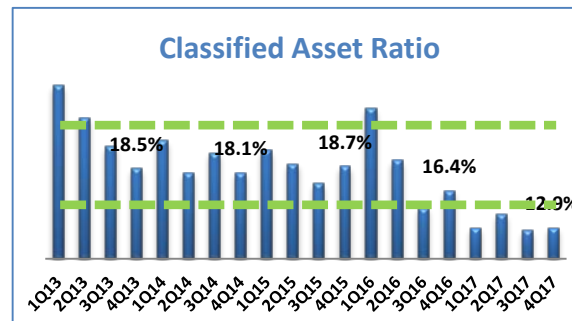
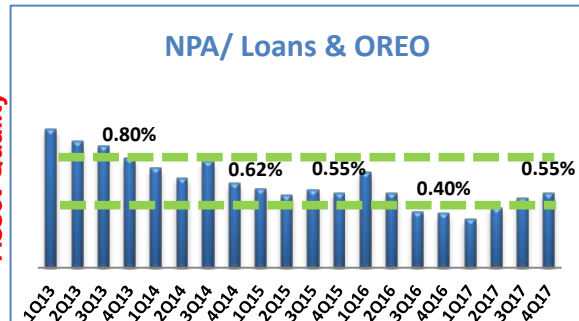
Earnings Growth



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 merger-related charges, gains and losses on sales of investment securities and revaluation of deferred tax assets

Note: For a reconciliation of these Non-GAAP financial measures to the comparable GAAP measure, see slides 28 – 32.

# 4Q17 Summary Results

## Pinnacle sets and delivers against lofty strategic targets

	<i>Pinnacle Targeted Operating Range</i>	<i>GAAP</i>	<i>Non-GAAP<sup>(1)</sup></i>
<i>For the fourth quarter of 2017</i>			
<b>Return on Average Assets</b>	<b>1.30% to 1.50%</b>	<b>0.48%</b>	<b>1.36%</b> ✓
Net Interest Margin	3.60% to 3.80%	3.76% ✓	3.76% ✓
Noninterest Income to Avg. Assets	0.90% to 1.10%	0.66%	0.81% ✓
Noninterest Expense to Avg. Assets	1.80% to 2.00%	2.22%	1.87% ✓
Net Charge-off Ratio	0.20% to 0.35%	0.13% ✓	0.13% ✓
<i>For the year ended Dec. 31, 2017</i>			
<b>Return on Average Assets</b>	<b>1.30% to 1.50%</b>	<b>1.10%</b>	<b>1.36%</b> ✓
Net Interest Margin	3.60% to 3.80%	3.76% ✓	3.76% ✓
Noninterest Income to Avg. Assets	0.90% to 1.10%	0.90% ✓	0.93% ✓
Noninterest Expense to Avg. Assets	1.80% to 2.00%	2.16%	2.00% ✓
Net Charge-off Ratio	0.20% to 0.35%	0.16% ✓	0.16% ✓

(1) Non-GAAP amounts exclude net gains and losses on the sale of investment securities, ORE expense, merger-related charges and the impact of revaluation of deferred tax assets. For a reconciliation of these Non-GAAP financial measures to the comparable GAAP measure, see slides 28 – 32.

# 4Q17 Summary Results

**PNFP continued rapid growth and hiring while completing the BNC integration**

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

- Jan. 22 – Announcement of transaction
- June 16 – Merger close
- ✓ • Nov. 30 – Technology conversion
- First quarter 2018 – Synergy case fully deployed

## **2. Aggressive hiring plan– In 2017, added 77 revenue producers to our roster, of which 27 were in the BNC markets, including 13 since the closing of the merger.**

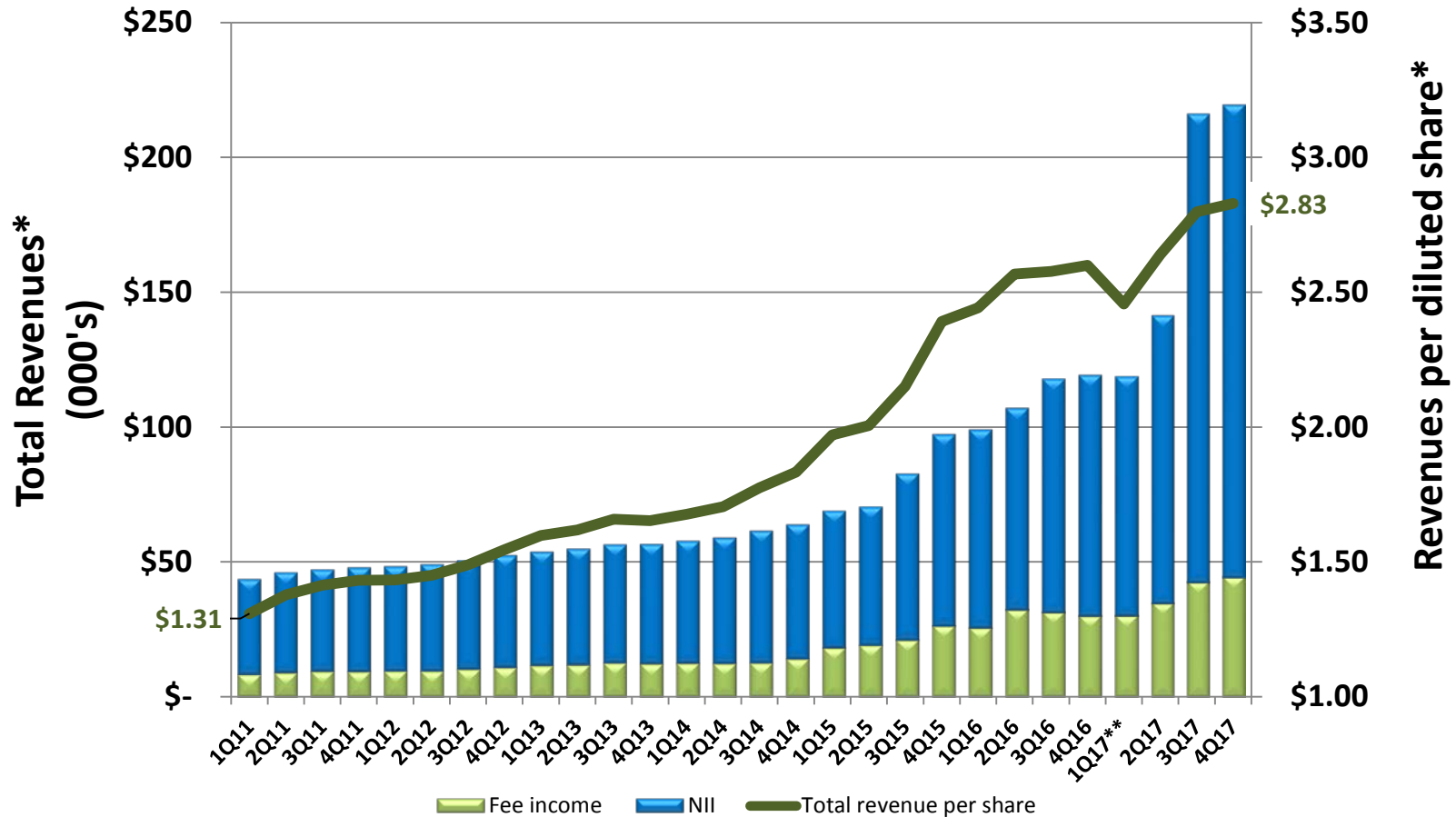
## **3. Strong loan and deposit growth –**

- 4Q17 net loan growth of \$373 million, deposit growth of \$662 million
- YTD net loan growth of \$1.73 billion\* , deposit growth of \$1.61 billion

\* includes net loan growth for BNC prior to merger

# Loan and Deposit Growth are Keys to Earnings Growth

Strong performance continues in both total revenues and revenues per share\*

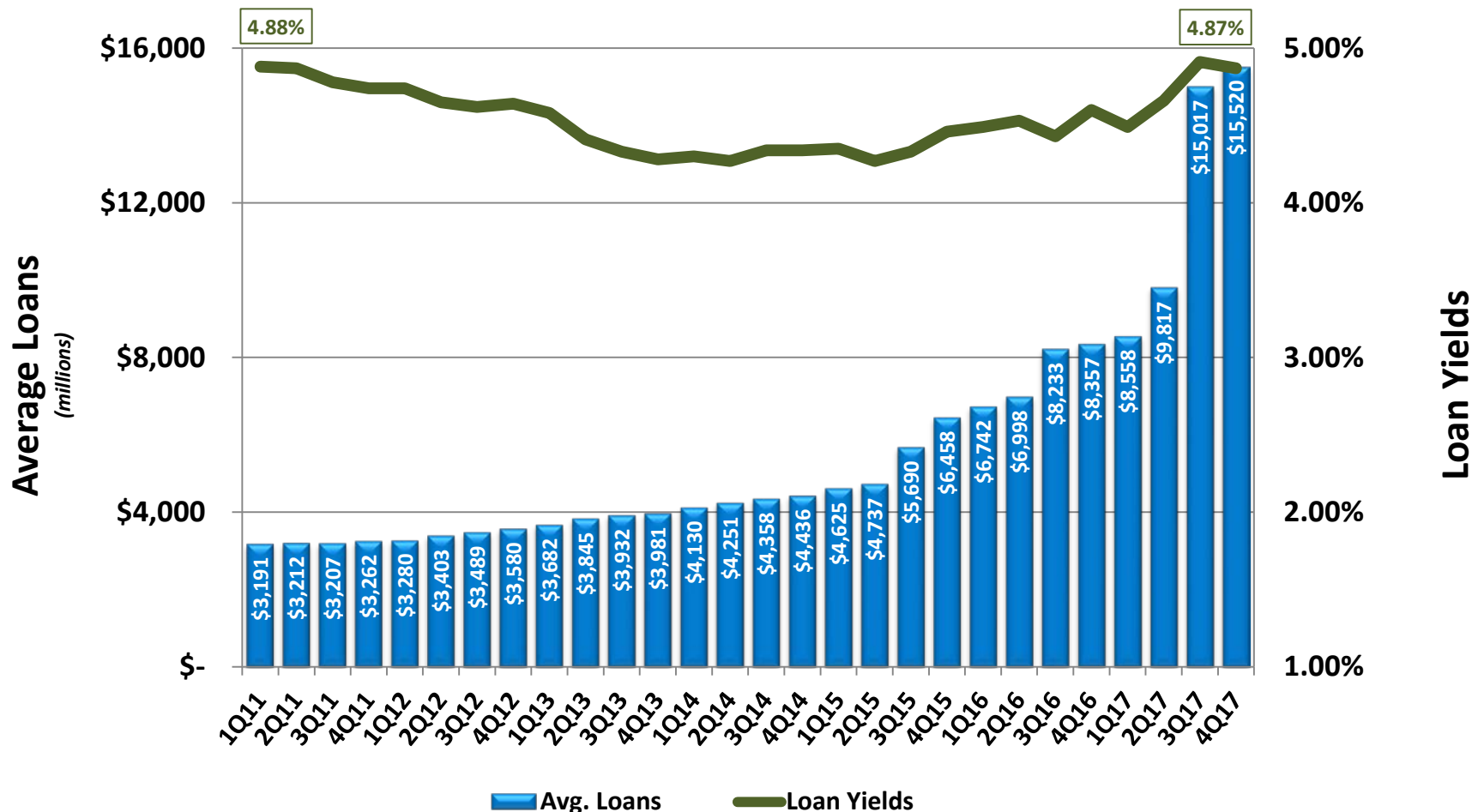


\*: Excluding gains and losses on sales of investment securities

\*\* : Decline in revenue per share a result of equity issuance during the first quarter of 2017

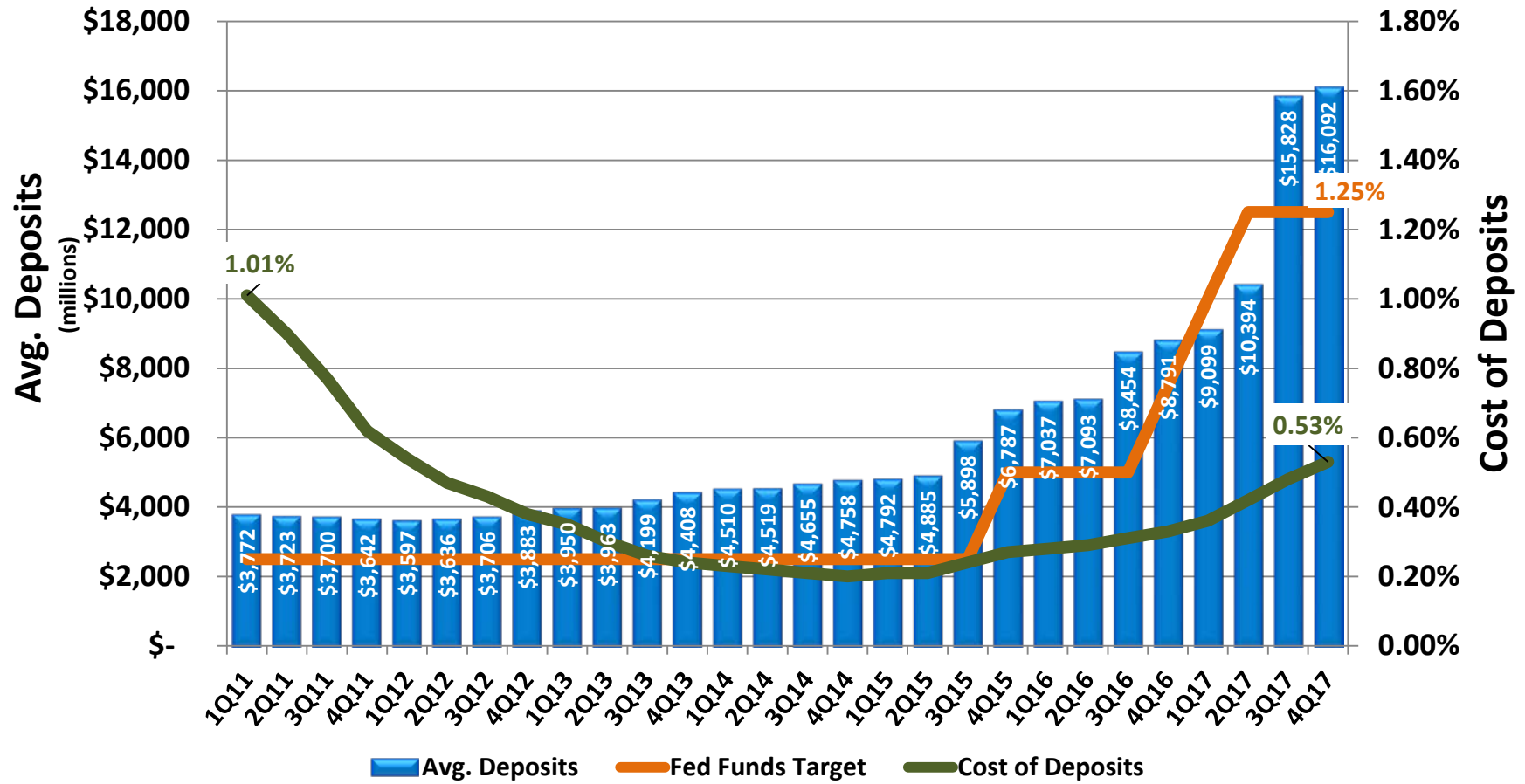
# Loan and Deposit Growth are Keys to Earnings Growth

## Linked-quarter loan growth remains strong



# Loan and Deposit Growth are Keys to Earnings Growth

## Average deposit balances continued strong organic growth



# Fee Businesses also Contribute to Earnings Growth

## Fee businesses produce another strong quarter

	4Q17	3Q17	2Q17	1Q17	4Q16
Service charges	\$6,078	\$5,921	\$4,179	\$3,856	\$3,850
Investment services	4,723	3,660	3,110	2,822	3,320
Insurance commissions	1,961	2,124	1,461	1,859	1,178
Gain on mortgage loans sold, net	3,839	5,963	4,668	4,155	2,869
Trust fees	2,645	2,636	1,677	1,705	1,734
Income from equity method investment	12,444	8,937	8,755	7,823	8,136
Other:					
Securities gains (losses)	(8,264)	-	-	-	395
Interchange and other consumer fees	8,499	7,393	7,558	6,151	6,171
Bank-owned life insurance	2,829	2,623	1,395	1,099	952
Loan swap fees	188	1,011	336	261	495
Other	1,546	2,709	1,918	651	1,643
<b>Total noninterest income</b>	<b>\$36,488</b>	<b>\$42,977</b>	<b>\$35,057</b>	<b>\$30,382</b>	<b>\$30,743</b>
<b>Noninterest income/Average Assets</b>	<b>0.66%</b>	<b>0.80%</b>	<b>1.05%</b>	<b>1.08%</b>	<b>1.11%</b>
<b>Core noninterest income**</b>	<b>\$44,753</b>	<b>\$42,977</b>	<b>\$35,057</b>	<b>\$30,382</b>	<b>\$30,348</b>
<b>Core Noninterest Income**/Total Average Assets</b>	<b>0.81%</b>	<b>0.80%</b>	<b>1.05%</b>	<b>2.17%</b>	<b>2.14%</b>

\*\* : Excludes the impact of gains and losses on sales of investment securities

# PNFP Focuses on Strategic Expense Management

## 4Q17 core expense results reflect enviable operating leverage

	4Q17	3Q17	2Q17	1Q17	4Q16
Salaries and benefits	\$ 63,347	\$64,288	\$43,676	\$38,352	\$37,994
Equipment and occupancy	17,114	16,590	10,713	9,675	9,228
Other real estate owned	252	512	63	252	44
Marketing and business development	2,093	2,222	2,127	1,879	2,386
Postage and supplies	1,662	1,755	1,122	1,196	1,000
Intangible amortization	3,071	3,077	1,472	1,196	1,137
Merger-related charges	19,103	8,847	3,221	672	3,264
Other expenses	16,332	12,444	9,404	8,831	7,712
<b>Total noninterest expense</b>	<b>\$122,973</b>	<b>\$109,735</b>	<b>\$71,798</b>	<b>\$62,053</b>	<b>\$62,765</b>
Efficiency ratio	58.2%	50.8%	50.7%	52.1%	52.2%
Expense/Total Average Assets	2.22%	2.05%	2.16%	2.20%	2.26%
<b>Core noninterest expense **</b>	<b>\$103,618</b>	<b>\$100,376</b>	<b>\$68,514</b>	<b>\$61,130</b>	<b>\$59,457</b>
<b>Core efficiency ratio **</b>	<b>47.2%</b>	<b>46.4%</b>	<b>48.4%</b>	<b>51.3%</b>	<b>49.6%</b>
<b>Core Noninterest Expense **/Total Average Assets</b>	<b>1.87%</b>	<b>1.88%</b>	<b>2.06%</b>	<b>2.17%</b>	<b>2.14%</b>

\*\* : Excludes the impact of OREO expense and merger-related charges

# Extraordinary Growth Potential on the Path Forward

	Net income before taxes	Effective Tax Rate	Tax Expense	Net income	FDEPS
<b>2017 results, as reported</b>	\$ 297,986	41.62%	\$ 124,007	\$ 173,979	\$ 2.70
<b>Items impacting 2017 results</b>					
Merger expense	\$ 31,843		\$ 12,492	\$ 19,351	
Investment securities losses	\$ 8,265		\$ 3,242	\$ 5,023	
Deferred tax asset revaluation	\$ -		\$ (31,486)	\$ 31,486	
<b>Adjusted 2017 results for above items</b>	\$ 338,094	32.02%	\$ 108,255	\$ 229,839	\$ 3.57
<i>Estimated "pro forma" impact to 2017 results had TCJA been effective as of January 1, 2017 (*)</i>					
			\$ (33,500)	\$ 33,500	
<b>Adjusted 2017 results after Tax Cut and Jobs Act</b>	\$ 338,094	22.11%	\$ 74,755	\$ 263,339	\$ 4.09
<i>Estimated TJCA "Investments" (#)</i>					
	\$ (8,000)	26.14%	\$ (2,091)	\$ (5,909)	
<b>Adjusted 2017 results after Tax Cut and Jobs Act</b>	\$ 330,094	22.01%	\$ 72,665	\$ 257,429	\$ 4.00
(*) Inclusive of nondeductible FDIC insurance, entertainment and other expenses which were previously deductible					
(#) Tax Act investments include increasing the company-provided 401k plan match, setting aside additional funds for new hires and client retention/attraction and accelerating certain technology investments.					

**\$0.43**

# Extraordinary Growth Potential on the Path Forward

The BNC integration overall is on-track and highly accretive

- The system integration has been completed
- Cultural integration is well underway
- Hiring thrust is strong and building
- Potential revenue synergies are meaningful
- Synergy case is largely complete – final by end of 1Q18

# Extraordinary Growth Potential on the Path Forward

## Recent market extensions provide roadmap for Carolinas & Virginia

	Market	At 12/31/17	At 12/31/16	YOY Growth	At 12/31/15	YOY Growth
Loans (000's)	Memphis	\$1,101	\$736	49.5%	\$458	60.7%
	Chattanooga	\$1,079	\$800	34.9%	\$708	13.0%
Core Deposits (000's)	Memphis	\$824	\$661	24.7%	\$385	71.7%
	Chattanooga	\$710	\$559	27.0%	\$505	10.7%
Revenue Producers	Memphis	68	47	44.7%	40	17.5%
	Chattanooga	39	34	14.7%	23	47.8%

# Long-Term Shareholder Value

**PNFP is focused on rapid growth across the Southeast**

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

Q&A –

# Fourth Quarter 2017 Investor Call



# Supplemental Information

	<b><u>Chart</u></b>
• <b><i>Balance Sheet</i></b>	<b>19</b>
• <b><i>Asset Quality</i></b>	<b>26</b>
• <b><i>Income Statement</i></b>	<b>27</b>

# Balance Sheet

## Loan portfolio is well diversified

	Amts. 4Q17	%'s(*) 4Q17	Amts. 3Q17	%'s(*) 3Q17	Amts. 4Q16	%'s(*) 4Q16	Amts. 4Q15	%'s(*) 4Q15
C&D and Land	\$1,908.3	12.2%	\$1,939.8	12.7%	\$912.7	10.8%	\$747.7	11.4%
Consumer RE	2,561.2	16.4%	2,541.1	16.7%	1,185.9	14.0%	1,046.5	16.0%
CRE – Owner Occ.	2,460.0	15.7%	2,433.8	15.9%	1,354.9	16.0%	1,083.5	16.6%
CRE – Investment	3,564.0	22.8%	3,398.4	22.3%	1,444.2	17.1%	953.5	14.6%
Other RE loans (Multi-Family)	645.5	4.1%	617.9	4.0%	394.4	4.7%	238.5	3.6%
<b>Total real estate</b>	<b>11,139.1</b>	<b>71.2%</b>	<b>10,931.0</b>	<b>71.6%</b>	<b>5,292.1</b>	<b>62.6%</b>	<b>4,069.7</b>	<b>62.2%</b>
C&I	4,141.3	26.5%	3,971.3	26.0%	2,891.7	34.2%	2,228.5	34.1%
Other loans	352.7	2.3%	357.5	2.4%	266.1	3.1%	245.0	3.7%
<b>Total loans</b>	<b>\$15,633.1</b>	<b>100.0%</b>	<b>\$15,259.8</b>	<b>100.0%</b>	<b>\$8,449.9</b>	<b>100.0%</b>	<b>\$6,543.2</b>	<b>100.0%</b>

(\*) as a percentage of total loans

# Balance Sheet

## Construction portfolio reflects discipline

	<i>Amounts 4Q17</i>	<i>%'s(*) 4Q17</i>	<i>Amounts 3Q17</i>	<i>%'s(*) 3Q17</i>	<i>Amts. 4Q16</i>	<i>%'s(*) 4Q16</i>	<i>Amts. 4Q15</i>	<i>%'s(*) 4Q15</i>
Residential – Spec	\$278.7	1.8%	\$253.3	1.7%	\$195.7	2.3%	\$126.1	1.9%
Residential – Custom	95.9	0.6%	157.4	1.0%	81.9	1.0%	54.1	0.8%
Residential – Condo	0.6	0.0%	13.3	0.1%	5.2	0.1%	7.1	0.1%
Commercial Construct.	1,057.3	6.8%	1,030.8	6.8%	347.1	4.1%	364.6	5.6%
Land Dev– Residential	157.5	1.0%	191.4	1.3%	116.3	1.4%	74.5	1.1%
Land Dev – Commercial	208.9	1.3%	190.2	1.2%	162.7	1.9%	99.1	1.8%
Land Dev - BNC Resi/Com. Combined	25.7	0.2%	56.4	0.4%	-	-	-	-
Land – Unimproved	83.7	0.5%	47.0	0.3%	3.8	0.1%	2.1	0.0%
<b>Total C&amp;D</b>	<b>1,908.3</b>	<b>12.2%</b>	<b>\$1,939.8</b>	<b>12.8%</b>	<b>\$912.7</b>	<b>10.8%</b>	<b>\$727.6</b>	<b>11.3%</b>

(\*) as a percentage of total loans

# Balance Sheet

The CRE loan portfolio remains within the 100/300 guidelines

Description	12/31/2017	9/30/2017	6/30/2017	3/31/17	12/31/16
Loans secured by real estate:					
Construction, land development, and other loans:					
1-4 family residential construction loans	\$445,077	\$423,988	\$408,035	\$303,219	\$282,738
Other construction loans and all land development and other land loans	1,463,211	1,515,821	1,363,014	711,909	629,935
<b>Loans included in the 100% test</b>	<b>\$1,908,288</b>	<b>\$1,939,809</b>	<b>\$1,771,049</b>	<b>\$1,015,128</b>	<b>\$912,673</b>
Secured by multifamily (5 or more) residential properties	\$669,054	\$638,285	\$672,979	\$411,028	\$416,987
Loans secured by other nonfarm nonresidential properties	3,564,048	3,398,381	3,357,120	1,386,398	1,444,203
Financed real estate not secured by real estate *	198,769	198,769	186,505	169,889	135,957
<b>Loans included in the 300% test</b>	<b>\$6,340,159</b>	<b>\$6,175,244</b>	<b>\$5,987,653</b>	<b>\$2,982,443</b>	<b>\$2,909,820</b>
<b>Total Risk Based Capital</b>	<b>\$2,134,344</b>	<b>\$2,129,643</b>	<b>\$2,081,349</b>	<b>\$1,349,947</b>	<b>\$1,136,782</b>
<b>% of Risk Based Capital</b>					
NOOCRE + Secured by multi-family	89%	91%	85%	75%	80%
300% Test - NOOCRE + Multifamily + Construction	297%	290%	288%	221%	256%

\*estimated for 12/31/17

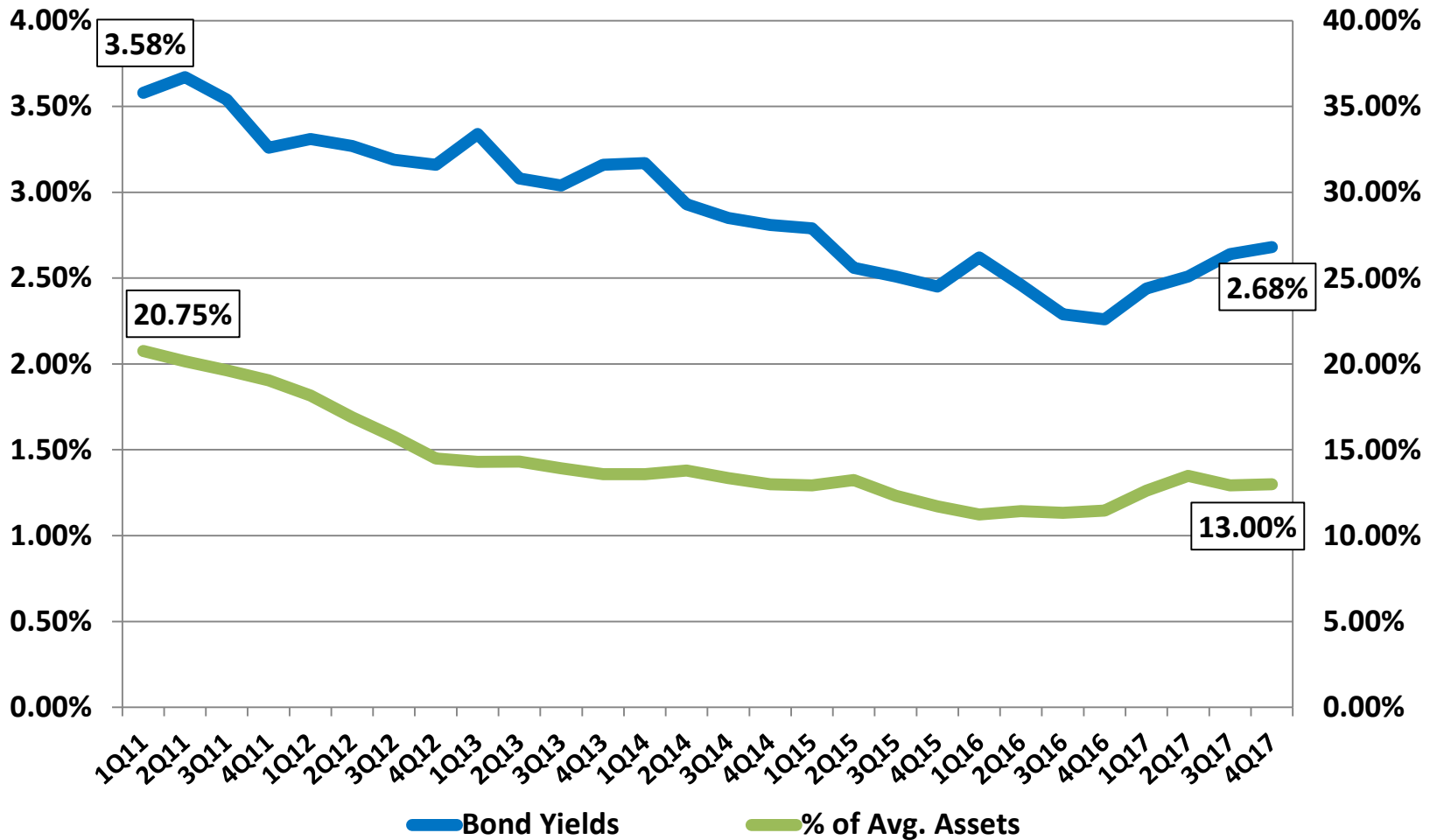
# Balance Sheet

## PNFP remains focused on relationship funding

	12/31/2017	Percent	9/30/2017	Percent	12/31/2016	Percent
<b>Core Funding:</b>						
Non-interest bearing deposits	\$4,381,386	23.85%	\$4,099,086	22.76%	\$2,399,191	24.99%
Interest-bearing deposits	2,756,506	15.00%	2,473,902	13.74%	1,737,996	18.10%
Money Market accounts	5,847,650	31.83%	5,589,254	31.04%	3,185,186	33.17%
Time deposits less than \$250,000	1,260,162	6.86%	1,226,952	6.81%	512,599	5.34%
<b>Total Core Funding</b>	<b>14,245,704</b>	<b>77.54%</b>	<b>\$13,389,194</b>	<b>74.35%</b>	<b>\$7,834,973</b>	<b>81.60%</b>
<b>Relationship based non-core funding:</b>						
Reciprocal NOW deposits	77,472	0.42%	61,386	0.34%	30,328	0.32%
Reciprocal MMDA deposits	408,806	2.23%	456,622	2.53%	519,769	5.41%
Time deposits						
Reciprocal time deposits	106,227	0.58%	109,004	0.61%	58,838	0.61%
Other time deposits	444,951	2.42%	394,593	2.19%	198,689	2.07%
Securities sold under agreements to repurchase	135,262	0.74%	129,557	0.72%	85,707	0.89%
<b>Total relationship based non-core funding</b>	<b>1,172,718</b>	<b>6.39%</b>	<b>1,151,162</b>	<b>6.39%</b>	<b>893,331</b>	<b>9.30%</b>
<b>Wholesale funding:</b>						
Brokered deposits	445,822	2.43%	586,241	3.26%	49,983	0.52%
Brokered time deposits	722,721	3.93%	792,545	4.40%	66,727	0.69%
FHLB advances	1,319,909	7.18%	1,623,947	9.02%	406,304	4.23%
Sub Debt and other funding	465,505	2.53%	465,460	2.58%	350,768	3.65%
Total wholesale funding	2,953,956	16.07%	3,468,193	19.26%	823,799	8.58%
<b>Total non-core funding</b>	<b>4,126,674</b>	<b>22.46%</b>	<b>4,619,355</b>	<b>25.65%</b>	<b>1,767,113</b>	<b>18.40%</b>
<b>Totals</b>	<b>\$18,372,378</b>	<b>100.00%</b>	<b>\$18,008,549</b>	<b>100.00%</b>	<b>\$9,602,086</b>	<b>100.00%</b>

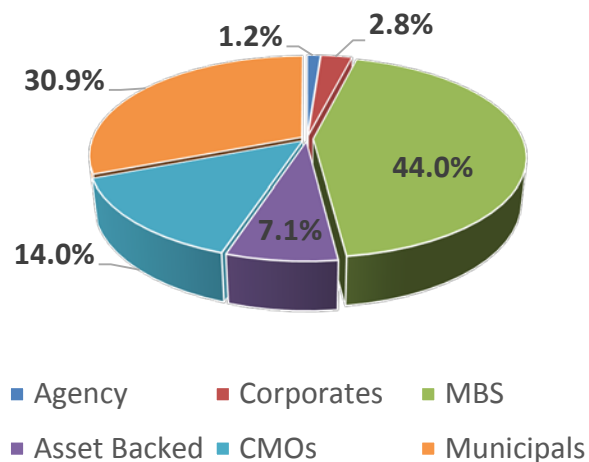
# Balance Sheet

The securities book yields increase in 4Q17



# Balance Sheet

## Conservative bond portfolio



## Portfolio: December 31, 2017

Total Investments	\$2.536 billion
Unrealized Gain (Loss)	\$ (1.8) million
QTD Purchases	\$ 31.9 million
QTD Sales	\$ 308.9million

As of 12/31/2017	Book Yield	Effective Duration
Agency/Treasury	1.21%	0.96%
Asset Backed	2.82%	0.03%
Corporates	4.31%	3.51%
CMOs	2.17%	3.59%
MBS	2.39%	2.87%
Municipals	3.35%	5.37%
Total	2.68%	3.49%

Quarter	Duration	Avg. Yield- TE
4Q17	3.5%	2.7%
3Q17	3.5%	2.6%
2Q17	3.3%	2.5%
1Q17	3.4%	2.4%
4Q16	3.2%	2.3%
3Q16	2.8%	2.3%
2Q16	2.4%	2.5%
1Q16	2.7%	2.6%

- Investment portfolio at \$2.536 billion, down \$365 million vs Q3 due to restructure of portfolio. Buy side of restructure will occur in 1Q18.
- Duration steady in mid 3% range
- Investments to Total Assets of 11.5%

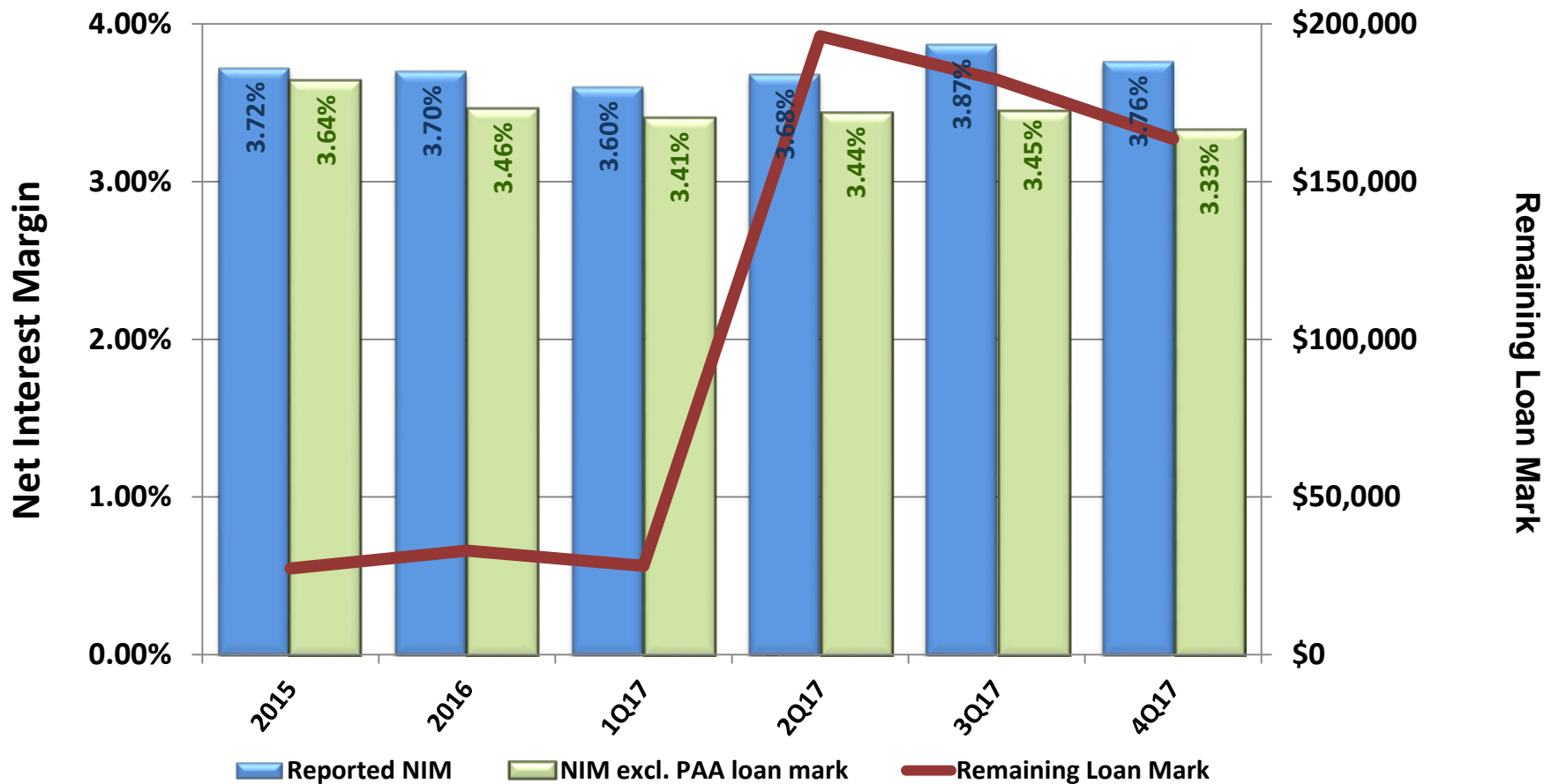
# Asset Quality

## Asset quality remains very sound

(000's)	Dec. 31, 2017	As a % of total loans	Sept. 30, 2017	As a % of total loans	Dec. 31, 2016	As a % of total loans
<b><u>Past Due Loans (*)</u></b>						
Nonaccrual loans	\$11,691	0.07%	\$20,210	0.13%	\$10,873	0.13%
Accruing loans	60,159	0.38%	39,081	0.26%	22,331	0.26%
Total past due	\$71,850	0.46%	\$59,291	0.39%	\$33,204	0.39%
<b><u>NPLs and &gt; 90 days</u></b>						
Const. and land development	\$6,114	0.04%	\$6,632	0.04%	\$6,613	0.08%
Consumer RE	19,381	0.12%	22,060	0.15%	8,127	0.10%
CRE – Owner Occupied	12,605	0.08%	12,426	0.08%	4,254	0.05%
CRE – Investment	302	0.00%	4,565	0.03%	666	0.01%
Total real estate	41,664	0.27%	45,683	0.30%	19,661	0.23%
C&I	18,657	0.12%	9,861	0.06%	7,495	0.09%
Other	1,273	0.01%	1,133	0.01%	1,556	0.02%
Total loans	\$61,594	0.39%	\$56,677	0.37%	\$28,711	0.34%
<b><u>Classified loans and ORE</u></b>						
Substandard commercial loans	\$ 211,308	1.35%	\$202,998	1.33%	\$148,460	1.76%
Doubtful commercial loans	(9)	0.00%	829	0.01%	1	0.00%
Other impaired loans	15,329	0.10%	22,858	0.15%	9,820	0.12%
90 days past due and accruing (*)	4,139	0.03%	3,264	0.02%	1,134	0.01%
Other real estate	27,831	0.18%	24,339	0.16%	6,090	0.07%
Other repossessed assets	197	0.00%	343	0.00%	-	0.00%
Total	\$ 258,795	1.66%	\$254,631	1.67%	165,505	1.96%
<i>Pinnacle Bank classified asset ratio</i>	<i>12.9%</i>		<i>12.7%</i>		<i>16.4%</i>	

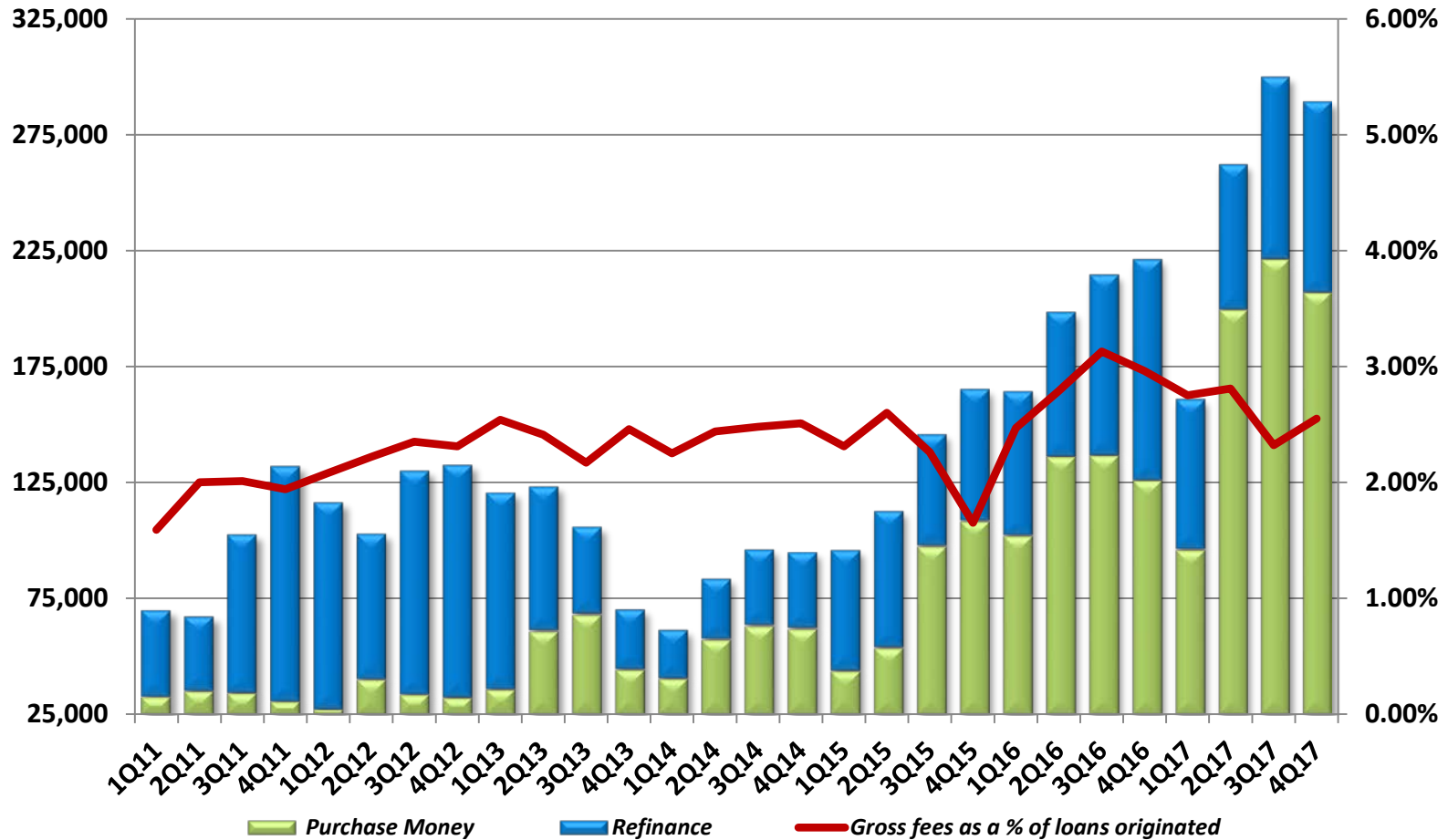
# Income Statement

Core net interest margin growth key to achieving profitability targets



# Income Statement

Mortgage volumes continue to be strong 4Q17



# Income Statement

## Reconciliation of Non-GAAP measures

	4Q17	3Q17	2Q17	1Q17	4Q16
Net interest income	\$174,731	\$173,182	\$106,627	\$88,767	\$89,413
Total noninterest income	36,488	42,977	35,057	30,382	30,743
Total revenues	\$211,219	\$216,159	\$141,684	\$119,149	\$120,156
Less: Investment (gains) losses on sales of securities, net	8,265	-	-	-	(395)
Total revenues, excluding investment (gains) losses on sales of securities, net	\$219,484	\$216,159	\$141,684	\$119,149	\$119,761
Total noninterest expense	\$122,973	\$109,736	\$71,798	\$62,054	\$62,765
Less: ORE expenses	252	512	63	252	44
Merger-related charges	19,103	8,847	3,221	672	3,264
Core noninterest expense, excluding the impact of ORE expense and merger-related charges	\$103,618	\$100,377	\$68,514	\$61,130	\$59,457
Adjusted pre-tax pre-provision income	\$115,866	\$115,782	\$73,170	\$58,019	\$60,304
Efficiency ratio	58.2%	50.8%	50.7%	52.1%	52.2%
Adjustment due to securities gains, ORE expense and merger-related charges	(11.0%)	(4.4%)	(2.3%)	(0.8%)	(2.6%)
Core Efficiency ratio	47.2%	46.4%	48.4%	51.3%	49.6%
Noninterest income/ Average assets	0.66%	0.80%	1.05%	1.08%	1.11%
Adjustment due to investment (gains) losses on sales of securities, net	0.15%	-	-	-	(0.02%)
Noninterest income, excluding the impact of net gains on sale of investment securities/ Average Assets	0.81%	0.80%	1.05%	1.08%	1.09%
Noninterest expense/ Average assets	2.22%	2.05%	2.16%	2.20%	2.26%
Adjustment due to ORE expense and merger-related charges	(0.35%)	(0.17%)	(0.10%)	(0.03%)	(0.12%)
Core noninterest expense, excluding ORE expense and merger-related charges/ Average Assets	1.87%	1.88%	2.06%	2.17%	2.14%

# Income Statement

## Reconciliation of Non-GAAP measures

	4Q17	3Q17	2Q17	1Q17	4Q16
Net income	\$26,798	\$64,442	\$43,086	\$39,653	\$36,097
Merger-related charges	19,103	8,847	3,221	672	3,264
Investment (gains) losses on sales of securities	8,265	-	-	-	(395)
Tax effect on merger-related charges and investment (gains) losses on sales of securities	(10,736)	(3,471)	(1,264)	(264)	(1,126)
Revaluation of deferred tax assets	31,486	-	-	-	-
Net income excluding merger-related charges, investment (gains) losses on sales of securities and revaluation of deferred tax assets	\$74,916	\$69,818	\$45,043	\$40,061	\$37,840
Basic earnings per share	\$0.35	\$0.84	\$0.81	\$0.83	\$0.79
Adjustment to basic earnings per share due to merger-related charges, investment (gains) losses on sales of securities and revaluation of deferred tax assets	0.63	0.07	0.04	0.01	0.04
Basic earnings per share excluding merger-related charges, investment (gains) losses on sales of securities and revaluation of deferred tax assets	\$0.98	\$0.91	\$0.85	\$0.84	\$0.83
Diluted earnings per share	\$0.35	\$0.83	\$0.80	\$0.82	\$0.78
Adjustment to diluted earnings per share due to merger-related charges, investment (gains) losses on sales of securities and revaluation of deferred tax assets	0.62	0.07	0.04	0.01	0.04
Diluted earnings per share excluding merger-related charges, investment (gains) losses on sales of securities and revaluation of deferred tax assets	\$0.97	\$0.90	\$0.84	\$0.83	\$0.82
Book value per share	\$47.70	\$47.31	\$46.56	\$34.61	\$32.28
Adjustment due to goodwill, core deposit and other intangible assets	(23.99)	(23.99)	(23.98)	(11.36)	(12.22)
Tangible book value per share	\$23.71	\$23.32	\$22.58	\$23.25	\$20.06

# Income Statement

## Reconciliation of Non-GAAP measures

	4Q17	3Q17	2Q17	1Q17	4Q16
Net income	\$26,798	\$64,442	\$43,086	\$39,653	\$36,097
Merger-related charges	19,103	8,847	3,221	672	3,264
Investment (gains) losses on sales of securities	8,265	-	-	-	(395)
Tax effect on merger-related charges and investment (gains) losses on sales of securities	(10,736)	(3,471)	(1,264)	(264)	(1,126)
Revaluation of deferred tax assets	31,486	-	-	-	-
<b>Net income excluding merger-related charges, investment (gains) losses on sales of securities and revaluation of deferred tax assets</b>	<b>\$74,916</b>	<b>\$69,818</b>	<b>\$45,043</b>	<b>\$40,061</b>	<b>\$37,840</b>
Average stockholders' equity	\$3,706,741	\$3,655,029	\$2,057,505	\$1,657,072	\$1,493,684
Less: Average goodwill	(1,803,546)	(1,800,761)	(760,646)	(551,548)	(551,042)
Average core deposit and other intangible assets	(58,192)	(59,521)	(23,957)	(14,674)	(15,724)
<b>Net average tangible common equity</b>	<b>\$1,845,003</b>	<b>\$1,794,747</b>	<b>\$1,272,902</b>	<b>\$1,090,850</b>	<b>\$926,918</b>
Return on average common equity	2.87%	6.99%	8.40%	9.70%	9.61%
Adjustment due to goodwill, core deposit and other intangible assets	2.89%	7.26%	5.18%	5.04%	5.88%
<b>Return on average tangible common equity</b>	<b>5.76%</b>	<b>14.25%</b>	<b>13.58%</b>	<b>14.74%</b>	<b>15.49%</b>
Adjustment due to merger-related charges, investment (gains) losses on sales of securities and revaluation of deferred tax assets	10.35%	1.18%	0.61%	0.15%	0.75%
<b>Return on average tangible common equity (excluding merger-related charges, investment (gains) losses on sales of securities and revaluation of deferred tax assets)</b>	<b>16.11%</b>	<b>15.43%</b>	<b>14.19%</b>	<b>14.89%</b>	<b>16.24%</b>
Total average assets	\$21,933,500	\$21,211,459	\$13,335,359	\$11,421,654	\$11,037,555

# Income Statement

## Reconciliation of Non-GAAP measures

	4Q17	3Q17	2Q17	1Q17	4Q16
Net income	\$26,798	\$64,442	\$43,086	\$39,653	\$36,097
Merger-related charges	19,103	8,847	3,221	672	3,264
Investment (gains) losses on sales of securities	8,265	-	-	-	(395)
Tax effect on merger-related charges and investment (gains) losses on sales of securities	(10,736)	(3,471)	(1,264)	(264)	(1,126)
Revaluation of deferred tax assets	31,486	-	-	-	-
Net income excluding merger-related charges, investment (gains) losses on sales of securities and revaluation of deferred tax assets	\$74,916	\$69,818	\$45,043	\$40,061	\$37,840
Average assets	\$22,505,700	\$21,211,459	\$13,335,359	11,421,654	11,037,555
Less: Average goodwill	(1,808,002)	(1,800,761)	(760,646)	(551,548)	(551,042)
Average core deposit and other intangible assets	(56,710)	(59,781)	(23,957)	(14,674)	(15,724)
Net average tangible assets	\$20,340,988	\$19,351,177	\$12,550,756	10,855,432	10,470,789
Return on average assets	0.48%	1.21%	1.30%	1.41%	1.30%
Adjustment due to goodwill, core deposit and other intangible assets	0.05%	0.11%	0.08%	0.06%	0.06%
Return on average tangible assets	0.53%	1.32%	1.38%	1.47%	1.36%
Adjustment due to merger-related charges, investment (gains) losses on sales of securities and revaluation of deferred tax assets	0.95%	0.11%	0.06%	0.01%	0.08%
Return on average tangible assets (excluding merger-related charges, investment (gains) losses on sales of securities and revaluation of deferred tax assets)	1.48%	1.43%	1.44%	1.48%	1.44%

# Income Statement

## Reconciliation of Non-GAAP measures

	4Q17	3Q17	2Q17	1Q17	4Q16
Revenue per diluted share	\$2.73	\$2.80	\$2.64	\$2.46	\$2.61
Adjustment due to investment (gains) losses on sales of securities, net	0.10	-	-	-	(0.01)
Revenue per diluted share (excluding investment (gains) losses on sales of securities, net)	\$2.83	\$2.80	\$2.64	\$2.46	\$2.60
Net interest margin	3.76%	3.87%	3.68%	3.60%	3.72%
Adjustment due to accretion from fair value accounting	0.43%	0.45%	0.23%	0.21%	0.32%
Core net interest margin	3.33%	3.42%	3.45%	3.39%	3.40%

# Selected Economic Data

Selected economic information (in thousands):	Dec. 2017	Sept. 2017	June 2017	Mar. 2017	Dec. 2016	Sept. 2016
Charleston MSA nonfarm employment - October	1,183.7	1,183.0	1,179.4	1,170.6	1,167.7	1,160.9
Nashville MSA nonfarm employment - October	986.6	986.2	975.1	977.1	968.5	957.8
Memphis MSA nonfarm employment - October	645.3	644.3	648.1	646.4	644.7	641.3
Raleigh MSA nonfarm employment - October	625.6	624.9	617.9	612.0	609.3	606.6
Knoxville MSA nonfarm employment - October	396.2	397.7	391.3	393.8	395.5	394.1
Greensboro MSA nonfarm employment - October	361.5	362.9	362.9	362.5	360.8	358.4
Charlotte MSA nonfarm employment - October	356.5	353.6	352.5	354.2	350.9	349.4
Winston-Salem MSA nonfarm employment - October	261.7	261.6	260.8	263.2	261.6	262.1
Chattanooga MSA nonfarm employment - October	259.7	258.8	260.7	256.3	254.6	252.2
Roanoke MSA nonfarm employment - October	164.7	164.8	164.7	164.1	162.4	162.4
Greenville MSA nonfarm employment - October	78.9	78.6	78.6	78.9	79.1	79.5
Charleston MSA unemployment - November	4.20%	3.90%	3.90%	4.50%	4.70%	4.80%
Nashville MSA unemployment - November	2.80%	2.30%	2.80%	3.70%	4.10%	4.10%
Memphis MSA unemployment - November	4.10%	3.70%	4.30%	5.00%	5.50%	5.60%
Raleigh MSA unemployment - November	3.90%	3.60%	3.60%	4.20%	4.40%	4.40%
Knoxville MSA unemployment - November	3.40%	2.90%	3.50%	4.50%	4.90%	4.90%
Greensboro MSA unemployment - November	4.70%	4.40%	4.30%	5.00%	5.20%	5.30%
Charlotte MSA unemployment - November	3.50%	3.20%	3.20%	3.70%	3.70%	3.90%
Winston-Salem MSA unemployment - November	4.30%	4.00%	4.00%	4.60%	4.90%	4.90%
Chattanooga MSA unemployment - November	3.60%	3.40%	3.90%	4.60%	5.20%	5.30%
Roanoke MSA unemployment - November	3.80%	3.70%	3.80%	3.60%	4.00%	4.20%
Greenville MSA unemployment - November	4.90%	4.50%	4.50%	5.30%	5.60%	5.50%
Charleston, SC residential median home price - November	\$ 379	369	360	365	349	350
Nashville, TN residential median home price - November	\$ 340	329	339	325	304	299
Memphis, TN residential median home price - November	\$ 89	90	88	77	78	82
Raleigh, NC residential median home price - November	\$ 336	309	299	299	280	275
Knoxville, TN residential median home price - November	\$ 209	195	197	185	175	174
Greensboro, NC residential median home price - November	\$ 179	179	184	173	163	157
Charlotte, NC residential median home price - November	\$ 285	270	284	265	254	247
Winston-Salem, NC residential median home price - November	\$ 164	159	164	159	149	148
Chattanooga, TN residential median home price - November	\$ 200	209	225	199	194	184
Roanoke, VA residential median home price - November	\$ 170	175	171	164	150	160
Greenville, NC residential median home price - November	\$ 158	153	155	147	146	144

# Fourth Quarter 2017 Investor Call

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

January 17, 2018

