Dear Fellow Shareholders,

Since Pinnacle's founding in 2000, we have referred to our firm as an urban community bank—a bank with all of the sophistication to compete in large urban markets but with the hands-on, friendly, personal service associated with a smaller community bank. From the outset we have aspired to operate in all of Tennessee's urban markets. Our Nashville launch was followed by a de novo expansion to Knoxville in 2007, and we experienced phenomenal organic growth in both markets. In 2015 we realized our dream of being a statewide urban community bank by expanding to both Chattanooga and Memphis.

Our mergers with CapitalMark Bank & Trust in Chattanooga and Magna Bank in Memphis give us the platform to continue executing our organic growth model in those markets just as we have in Nashville and Knoxville. We announced both acquisitions in the second quarter of 2015 and closed both in the third quarter.

In both of the new markets we worked quickly to engage our new associates and recruit other highly experienced financial services professionals with deep local ties. To help accelerate C&I lending in Memphis, we recruited a team of eight bankers from First Tennessee. And we have continued to have great hiring success lifting out C&I bankers from other large regional banks in the market as well.

In last year's letter to shareholders, we discussed our intent to increase our capital allocation to fee businesses that could drive shareholder value and expand our revenue base. So in addition to the mergers, we made several moves intended to sustain the rapid earnings growth that we've enjoyed for several years now. For example, we acquired a 30 percent interest in Bankers Healthcare Group, a leading provider of financing solutions for healthcare professionals across the United States. The BHG partnership has exceeded our expectations for additional fee revenue—so much so that we purchased an additional 19 percent stake in the first quarter of 2016, bringing our total ownership of that high-growth specialty lender to 49 percent.

We also hired a team of commercial real estate lenders to focus on the best developers in our markets and launched a CRE initiative that is running well ahead of schedule. Additionally we formed a broker-dealer to focus primarily on company valuations and M&A transactions for the owner-managed businesses that are underserved by the larger investment banks.

Throughout it all, we kept focus on achieving our long-term profitability targets. Our return on average assets was 1.24 percent in the fourth quarter (or 1.31 percent excluding merger-related expenses), well within our target range of 1.20 to 1.40 percent. In addition to hitting our targeted ROA, all of the other components—margin, noninterest income to assets, noninterest expense to assets and net charge-offs—were inside the long-term target ranges we previously set.

Photo credit: Nathan Morgan, Nashville Business Journal

2015 ACCOMPLISHMENTS

As we expanded to two new geographic markets in 2015, we never lost sight of our formula—that *excited associates* create *engaged clients*, which lead to *enriched shareholders*. These accomplishments point toward the progress we made in each area:

Best bank to work for in Tennessee.
American Banker named Pinnacle No. 3 on its list of "Best Banks to Work For" in the U.S., making our firm the best bank to work for in Tennessee. In addition, Great Place to Work® and *Fortune* named us one of the country's 50 Best Workplaces for Camaraderie after surveying more than 255,000 employees across the nation.

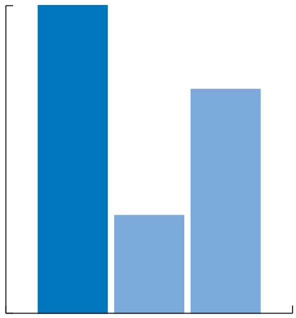
Strong talent recruitment.
Our ability to attract the best bankers in our markets is what fuels our organic growth engine. In 2015 we hired 36 revenue-producing associates, which is roughly three times our previous annual hiring pace.

Market-leading client satisfaction.
According to Greenwich Associates, our "net promoter" score—an indication of clients who are likely to recommend us to their friends and colleagues—is meaningfully higher than all of our key competitors. This kind of client engagement explains our success in 2015 and is the basis for our optimism going forward.

Total Shareholder Returns

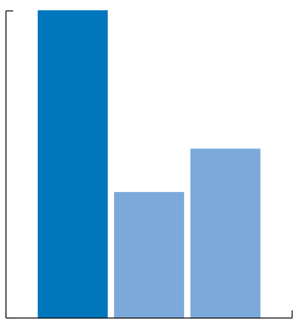
1 Year

PNFP—31.2%
Peer Median—9.9%
75th Percentile of Peer Group—22.7%



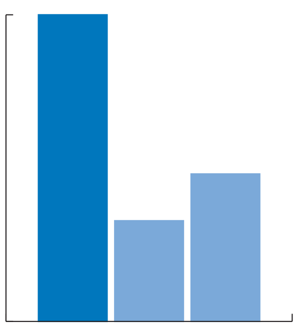
3 Year

PNFP—178.6%
Peer Median—72.9%
75th Percentile of Peer Group—98.1%



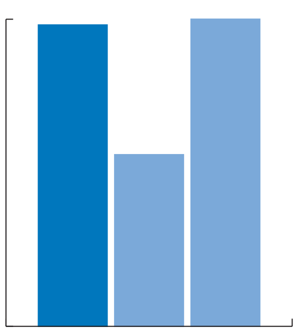
5 Year

PNFP—286.5%
Peer Median—94.1%
75th Percentile of Peer Group—137.8%



10 Year

PNFP—110.1%
Peer Median—62.7%
75th Percentile of Peer Group—112.2%



Peer-leading returns for shareholders.
We set high goals for ourselves because we want to be among the best performers in our peer group. Again in 2015 we achieved top-quartile profitability and top-quartile asset quality, which we believe resulted directly in top-quartile total shareholder returns. Our shares were up again in 2015 roughly 30 percent.

SHAREHOLDER FOCUS

We continued our record for double-digit earnings per share growth in 2015. We budgeted a 20 percent growth rate in EPS over 2014, a high goal, and then exceeded that target by roughly 50 percent when merger-related expenses were excluded. We believe that says a lot about both our aspirations and our ability to execute on them.

OUTLOOK FOR 2016 AND BEYOND

The CapitalMark and Magna acquisitions, as well as our recently announced proposed merger with Avenue Financial Holdings in Nashville, will help us deepen our penetration in all four Tennessee markets over the next several years. The long-term goal is to increase our deposit base to roughly $15 billion in those four markets.

Looking to 2016, we will continue to emphasize several fee areas. With our additional investment in BHG we should experience a meaningful increase in fee revenues, but we're not stopping there. We have great aspirations for our capital markets unit and will continue to emphasize interchange income. Simply said, in 2016 we expect to:

- Exploit the opportunity to dominate the commercial real estate segment in our geographic markets,
- Find fee businesses similar to BHG and PNFP Capital Markets, Inc. that can grow our core earnings capacity and diversify our revenue streams and
- Focus on bottom-line results and continue to target top-quartile performance.

Some investors have a negative outlook for bank stocks as a result of the difficult macro-economic and global geopolitical landscapes. They fear that the Federal Reserve may move more slowly than originally thought, that stubbornly low rates will weigh on net interest margins and that low oil prices will create weakening credit. But we believe that Pinnacle's story is different—that our exposure to energy lending is limited and the markets we serve are vibrant enough to support volume growth that facilitates meaningful net interest income growth.

Reflecting on the performance of our firm against the very high profit targets that we established several years ago, the tremendous momentum in organic growth and the credit and profit leverage that we expect going forward, we remain optimistic about our future. As you review the report, we hope you will find evidence of our ongoing commitment to generate top-quartile returns for our shareholders.

Sincerely,

M. Terry Turner
President and CEO

Robert A. McCabe, Jr.
Chairman