

# Investor Call

SECOND QUARTER 2021

JULY 21, 2021

*Time: 8:30 AM CDT*

*Webcast: [www.pnfp.com](http://www.pnfp.com) (investor relations)*

*Audio only: 877-602-7944*

M. TERRY TURNER, PRESIDENT AND CEO  
HAROLD R. CARPENTER, EVP AND CFO

**Pinnacle**<sup>SM</sup>  
FINANCIAL PARTNERS



## 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 of 1933 and Section 21E of the Securities Exchange Act of 1934. The words "expect," "anticipate," "intend," "may," "should," "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 of Pinnacle Bank and its subsidiaries or BHG resulting in significant increases in loan losses and provisions for those losses and, in the case of BHG, substitutions; (ii) the effects of new outbreaks of COVID-19, including actions taken by governmental officials to curb its spread, and the resulting impact on general economic and financial market conditions and on Pinnacle Financial's and its customers' business, results of operations, asset quality and financial condition; (iii) the speed with which the COVID-19 vaccines can be widely distributed, decisions of governmental agencies to pause the use of one or more vaccines, those vaccines' efficacy against the virus, including new variants and public acceptance of the vaccines; (iv) the failure of announced or anticipated stimulus programs to be timely approved, or approved at all, or the failure of such programs to provide sufficient relief when approved, and the resulting impact on the economy and our customers and their businesses; (v) the inability of Pinnacle Financial, or entities in which it has significant investments, like BHG, to maintain the long-term historical growth rate of its, or such entities', loan portfolio; (vi) changes in loan underwriting, credit review or loss reserve policies associated with economic conditions, examination conclusions, or regulatory developments; (vii) effectiveness of Pinnacle Financial's asset management activities in improving, resolving or liquidating lower-quality assets; (viii) the impact of competition with other financial institutions, including pricing pressures and the resulting impact on Pinnacle Financial's results, including as a result of compression to net interest margin; (ix) adverse conditions in the national or local economies including in Pinnacle Financial's markets throughout Tennessee, North Carolina, South Carolina, Georgia, Alabama and Virginia, particularly in commercial and residential real estate markets; (x) fluctuations or differences in interest rates on loans or deposits from those that Pinnacle Financial is modeling or anticipating, including as a result of Pinnacle Bank's inability to better match deposit rates with the changes in the short-term rate environment, or that affect the yield curve; (xi) the results of regulatory examinations; (xii) Pinnacle Financial's ability to identify potential candidates for, consummate, and achieve synergies from, potential future acquisitions; (xiii) difficulties and delays in integrating acquired businesses or fully realizing costs savings and other benefits from acquisitions; (xiv) BHG's ability to profitably grow its business and successfully execute on its business plans; (xv) risks of expansion into new geographic or product markets; (xvi) the ability to grow and retain low-cost core deposits and retain large, uninsured deposits, including during times when Pinnacle Bank is seeking to lower rates it pays on deposits; (xvii) any matter that would cause Pinnacle Financial to conclude that there was impairment of any asset, including goodwill or other intangible assets; (xviii) the ineffectiveness of Pinnacle Bank's hedging strategies, or the unexpected counterparty failure or hedge failure of the underlying hedges; (xix) 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 environment for associates) or otherwise to attract customers from other financial institutions; (xx) deterioration in the valuation of other real estate owned and increased expenses associated therewith; (xxi) inability to comply with regulatory capital requirements, including those resulting from changes to capital calculation methodologies, required capital maintenance levels or regulatory requests or directives, particularly if Pinnacle Bank's level of applicable commercial real estate loans were to exceed percentage levels of total capital in guidelines recommended by its regulators; (xxii) approval of the declaration of any dividend by Pinnacle Financial's board of directors; (xxiii) the vulnerability of Pinnacle Bank's network and online banking portals, and the systems of parties with whom Pinnacle Bank contracts, to unauthorized access, computer viruses, phishing schemes, spam attacks, human error, natural disasters, power loss and other security breaches; (xxiv) the possibility of increased compliance and operational costs as a result of increased regulatory oversight (including by the Consumer Financial Protection Bureau), 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; (xxv) 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 or all or a portion of their ownership interests in BHG if not prohibited from doing so by Pinnacle Financial or Pinnacle Bank; (xxvi) the possibility of increased personal or corporate tax rates and the resulting reduction in our and our customers' businesses as a result of any such increases; (xxvii) changes in state and federal legislation, regulations or policies applicable to banks and other financial service providers, like BHG, including regulatory or legislative developments; (xxviii) the availability of and access to capital; (xxix) adverse results (including costs, fines, reputational harm, inability to obtain necessary approvals and/or other negative effects) from current or future litigation, regulatory examinations or other legal and/or regulatory actions, including as a result of Pinnacle Bank's participation in and execution of government programs related to the COVID-19 pandemic; and (xxx) 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 for the year ended December 31, 2020, and subsequently filed 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.

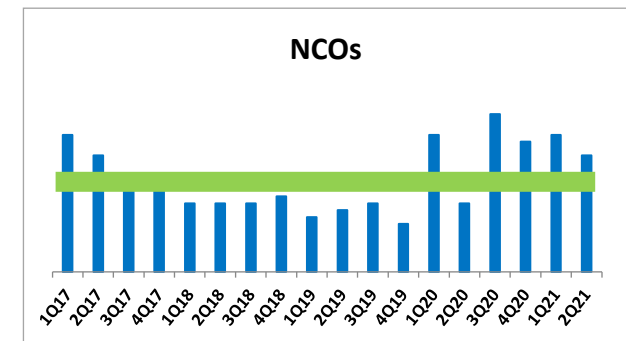
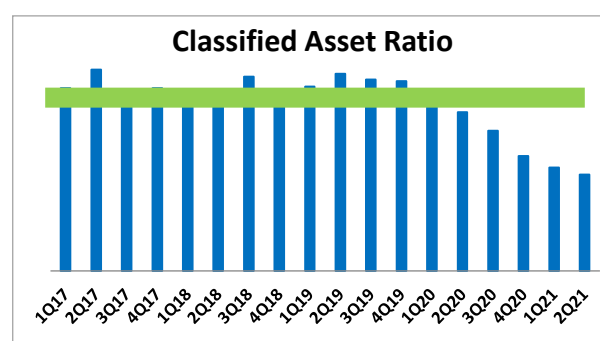
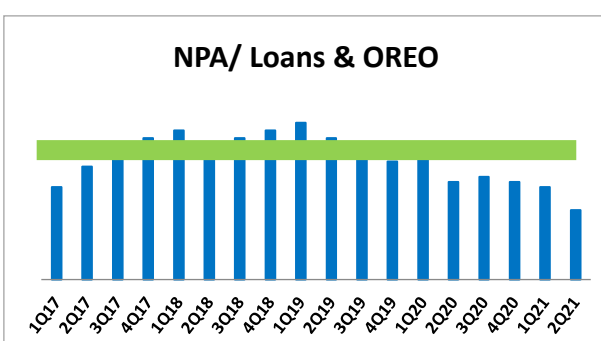
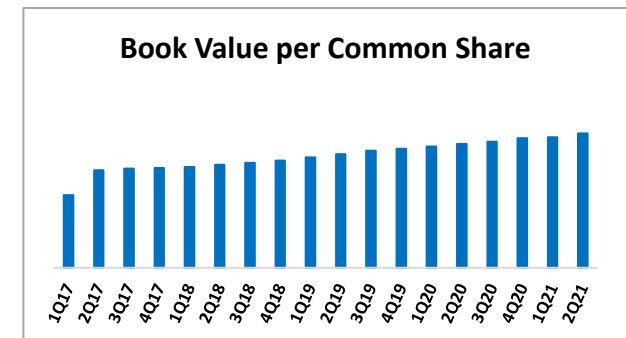
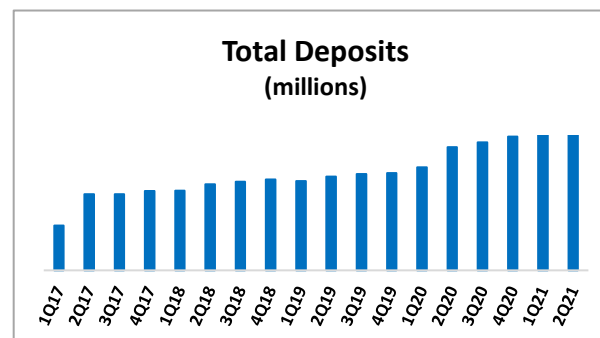
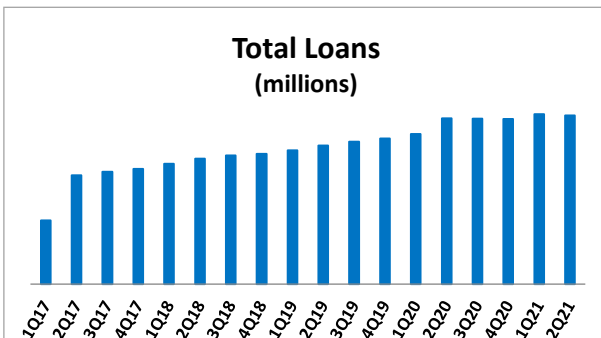
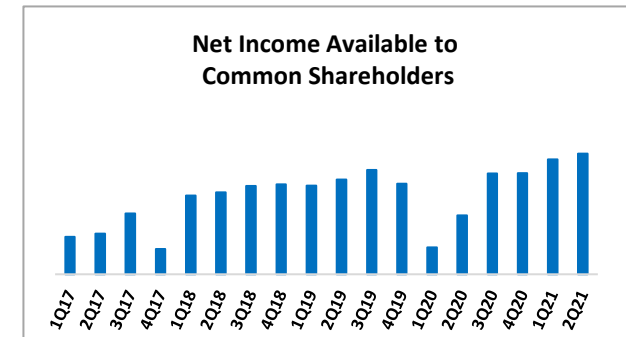
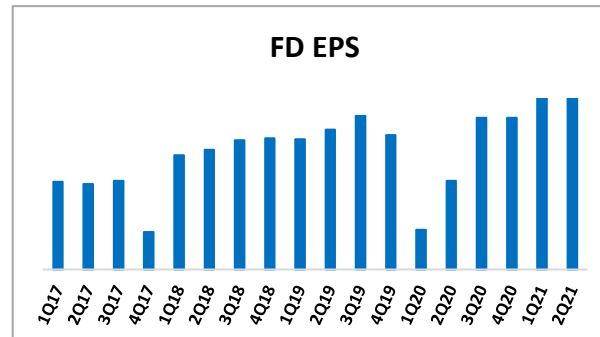
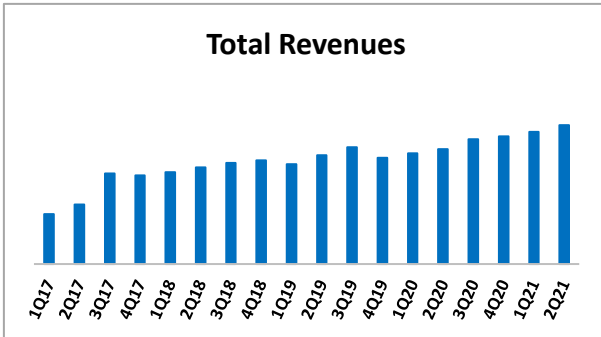
## Non-GAAP Financial Matters

This presentation contains certain non-GAAP financial measures, including, without limitation, earnings per diluted common share, efficiency ratio and the ratio of noninterest expense to average assets, excluding in certain instances the impact of expenses related to other real estate owned, gains or losses on sale of investment securities, FHLB restructuring charges, hedge termination charges and other matters for the accounting periods presented. This presentation also includes non-GAAP financial measures which exclude the impact of loans originated under the PPP. This presentation may also contain certain other non-GAAP capital ratios and performance measures that exclude the impact of goodwill and core deposit intangibles associated with Pinnacle Financial's acquisitions of BNC, Avenue Bank, 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 as well as the impact of Pinnacle Financial's Series B Preferred Stock. 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 2021 versus certain periods in 2020 and to internally prepared projections.

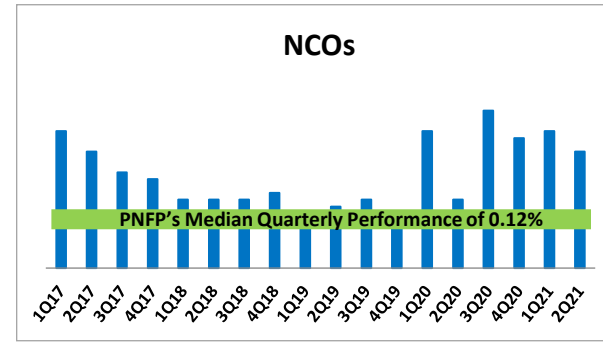
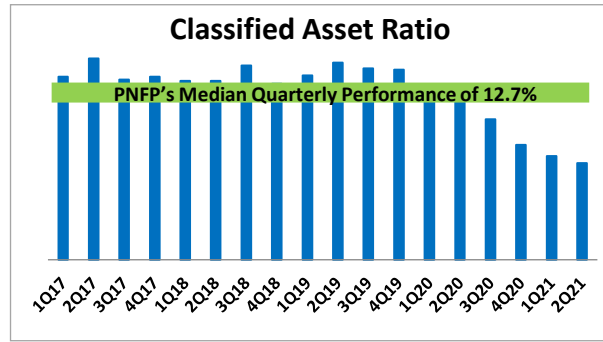
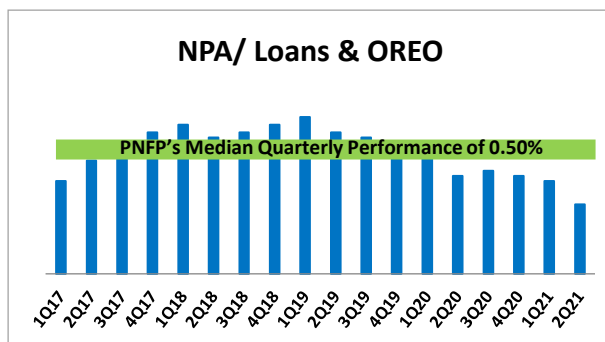
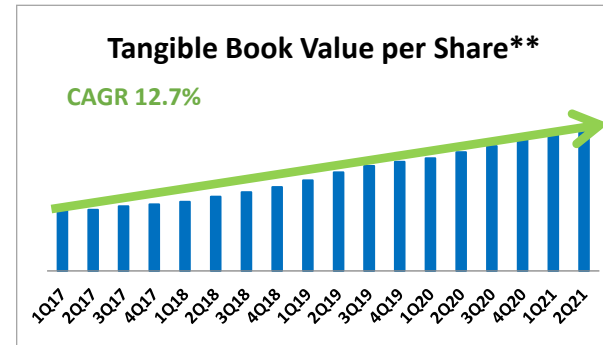
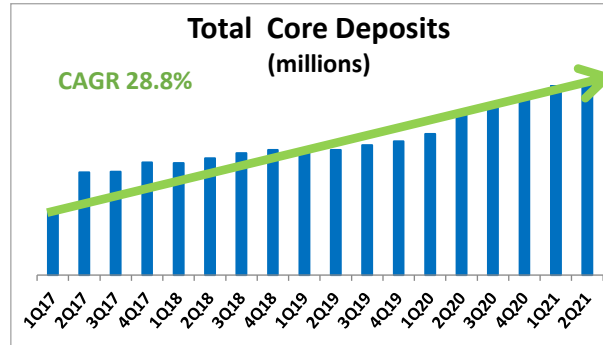
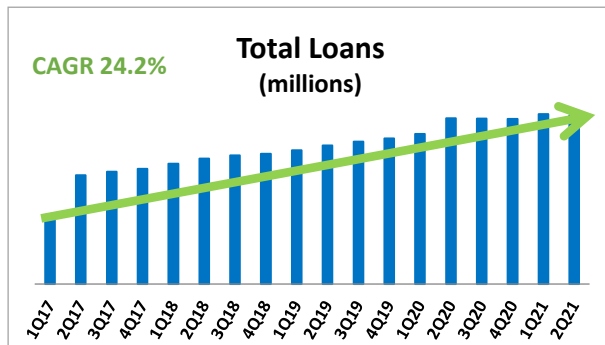
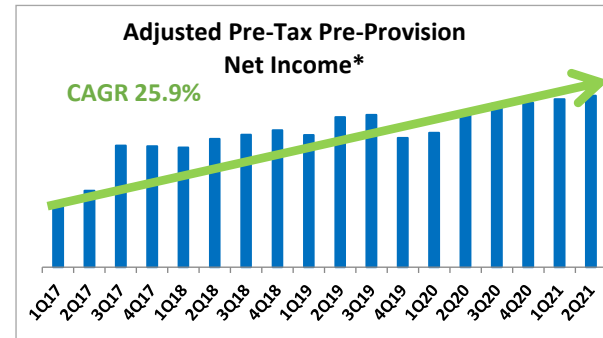
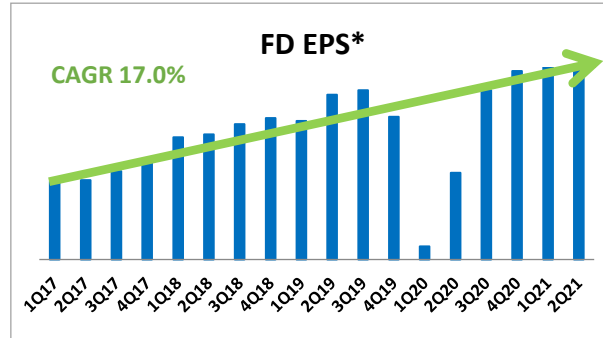
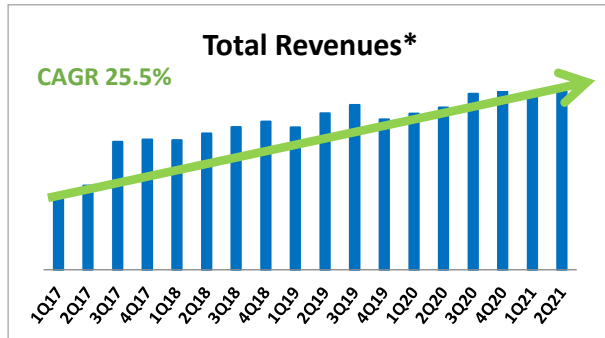
# *2Q21 Financial Dashboard*

*Once again this quarter, most key success measures including core loan growth, core deposit growth, net interest income growth, fee income growth, pre-provision net revenue growth, asset quality and tangible book value accretion were very strong.*

# 2Q21 Summary Results of Key GAAP Measures



# 2Q21 Summary Results of Key Non-GAAP Measures



\*: excluding merger-related charges, gains and losses on sales of investment securities, ORE expense (income), loss on sale of non-prime automobile portfolio, branch rationalization charges, FHLB restructuring charges, hedge termination charges. PPNR represents pre-tax, pre-provision net revenues.

\*\* : excluding goodwill, core deposit and other intangible assets

Note: For a reconciliation of these Non-GAAP financial measures to the comparable GAAP measures, see slides 63-65.

# *Understanding the Growth*

*We believe our advantaged markets, our long-standing model for attracting talent and demonstrable ability to “wow” our clients should yield best-in-class growth and has positioned us for the continued share grab that should be available given the stressed client loyalty for our largest competitors.*

# PNFP's Differentiated Model Propels Outsized Growth

Net promoting associates generate extraordinary opportunities



- ✓ Presence in 48% of the top 35 MSAs (12 of 25)
- ✓ 88% of deposits are in these markets

## Top 25 MSAs in Southeast Region by Population

Rank	Metropolitan Area	Population (Actual)
1	Washington-Arlington-Alexandria, DC-VA-MD-WV	6,348,569
2	Miami-Fort Lauderdale-Pompano Beach, FL	6,280,334
3	Atlanta-Sandy Springs-Alpharetta, GA	6,137,994
4	Tampa-St. Petersburg-Clearwater, FL	3,257,479
5	Charlotte-Concord-Gastonia, NC-SC	2,696,789
6	Orlando-Kissimmee-Sanford, FL	2,685,903
7	Nashville-Davidson--Murfreesboro--Franklin, TN	1,980,990
8	Virginia Beach-Norfolk-Newport News, VA-NC	1,779,953
9	Jacksonville, FL	1,602,120
10	Raleigh-Cary, NC	1,420,576
11	Memphis, TN-MS-AR	1,349,782
12	Richmond, VA	1,303,952
13	Birmingham-Hoover, AL	1,094,169
14	Greenville-Anderson, SC	937,813
15	Knoxville, TN	879,185
16	North Port-Sarasota-Bradenton, FL	855,242
17	Columbia, SC	849,200
18	Charleston-North Charleston, SC	823,428
19	Cape Coral-Fort Myers, FL	785,277
20	Greensboro-High Point, NC	781,068
21	Little Rock-North Little Rock-Conway, AR	746,763
22	Lakeland-Winter Haven, FL	738,482
23	Winston-Salem, NC	682,543
24	Deltona-Daytona Beach-Ormond Beach, FL	678,826
25	Durham-Chapel Hill, NC	655,218

- ✓ Presence in 32% of the top 35 MSAs (8 of 25)
- ✓ 8% of deposits are in these markets

## Top 25 MSAs in Southeast Region by GDP Growth <sup>(1)</sup>

Rank	Metropolitan Area	GDP Growth (%)
1	Palm Bay-Melbourne-Titusville, FL	5.7%
2	Crestview-Fort Walton Beach-Destin, FL	5.3%
3	Pensacola-Ferry Pass-Brent, FL	4.7%
4	Durham-Chapel Hill, NC	4.6%
5	Ocala, FL	4.1%
6	Spartanburg, SC	3.8%
7	Naples-Marco Island, FL	3.7%
8	Tuscaloosa, AL	3.6%
9	Lakeland-Winter Haven, FL	3.6%
10	Tampa-St. Petersburg-Clearwater, FL	3.6%
11	Wilmington, NC	3.5%
12	North Port-Sarasota-Bradenton, FL	3.4%
13	Huntsville, AL	3.3%
14	Myrtle Beach-Conway-North Myrtle Beach, SC-NC	3.3%
15	Port St. Lucie, FL	3.2%
16	Asheville, NC	3.0%
17	Raleigh-Cary, NC	3.0%
18	Charleston-North Charleston, SC	3.0%
19	Cape Coral-Fort Myers, FL	2.9%
20	Jacksonville, FL	2.9%
21	Gainesville, FL	2.6%
22	Orlando-Kissimmee-Sanford, FL	2.5%
23	Greenville-Anderson, SC	2.5%
24	Deltona-Daytona Beach-Ormond Beach, FL	2.4%
25	Augusta-Richmond County, GA-SC	2.4%

Source: S&P Global Market Intelligence; Bureau of Economic Analysis  
 Note: Deposit data as of 6/30/2020  
 Note: Southeast defined as: AL, AR, FL, GA, LA, MS, NC, SC, TN, VA, WV  
 Note: Most recent GDP dollars as of 2019; Growth shown from 2018 – 2019  
 (1) Includes MSAs with over 250,000 in population



# PNFP's Differentiated Model Propels Outsized Growth

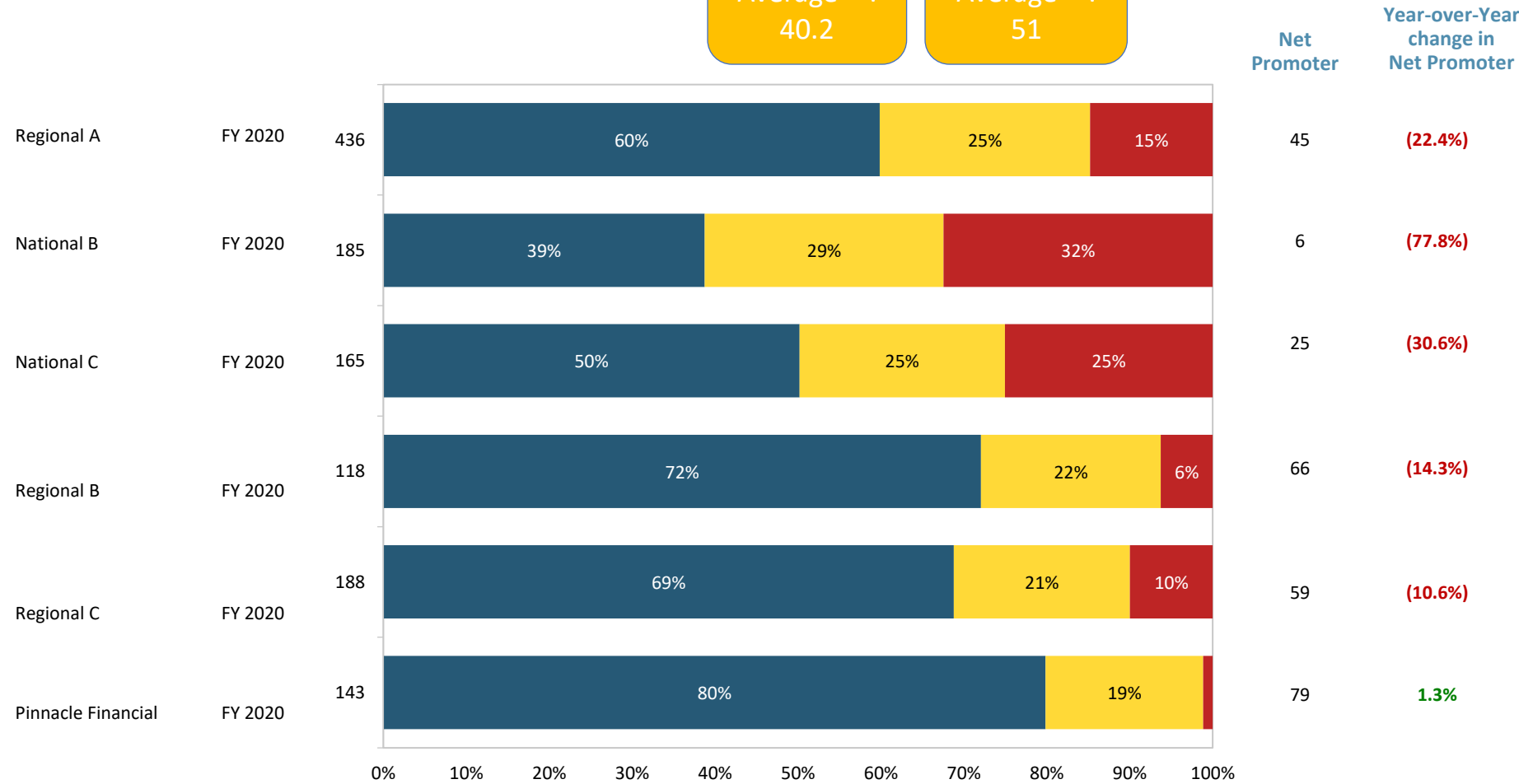
PNFP's competitive landscape provides an extraordinary opportunity to take share and grow revenues



## Net Promoter Score – Total Footprint\*

Top 5  
Average\*\*:  
40.2

Top 10  
Average\*\*:  
51



■ Promoters 
 ■ Passives 
 ■ Detractors

- \*Total footprint defined as Tennessee, North Carolina, South Carolina, Atlanta, and Roanoke. \*\*Top 5 and Top 10 bank averages excluding Pinnacle.
- Note: Net Promoter Score equals Promoters minus Detractors. Evaluations are based on a 0-10 scale, "0" not at all likely to "10 extremely likely. Promoter = 9,10; Passive = 7,8; Detractor = 0-6.
- Question: How likely are you to recommend (Lead Provider) to a friend or colleague using a scale of 0-10 where "0" means Not At All Likely and "10" means Extremely Likely?
- Source: 2020 Greenwich Associates Market Tracking Program (Pinnacle Financial – Total Footprint - \$1-500MM - Q4 2020 R4Q - Banking).

# PNFP's Differentiated Model Propels Outsized Growth

Promoters really do advocate



David A.  
We love Pinnacle. Local super easy to work with. Been with them for work and personal accounts for over ten years.

Bill V.  
We've been with Pinnacle Financial Partners for many years and, while they have grown, they have continued to provide great benefits and personal service. Their branch personnel are awesome and their website is user-friendly. Checking is free, if one maintains a reasonable balance and accepts e-statements. You can use any ATM anywhere and they credit off all the service charges, which is really convenient.

Ashley B.  
Bill, I use them too and have loved it.

Laurie M.  
Pinnacle! I was with BOA for years and switched to Pinnacle and thrilled with Pinnacle's customer service and they have a number of locations to easily access.

Erin F.  
Another vote for Pinnacle! They have a special culture and really do provide outstanding customer service!

Elaine B.  
I consider Pinnacle a local bank as previous post indicated they have kept their local vibe as they have grown. I still get birthday cards from my local branch in Berry Hill.

Anne A.  
I can't say enough good things about our Pinnacle experience! And very much second the recommendation! We love and know staff at both the Berry Hill and the Brentwood branches, and it's nice to have lots of other branches to access when we're elsewhere around town.

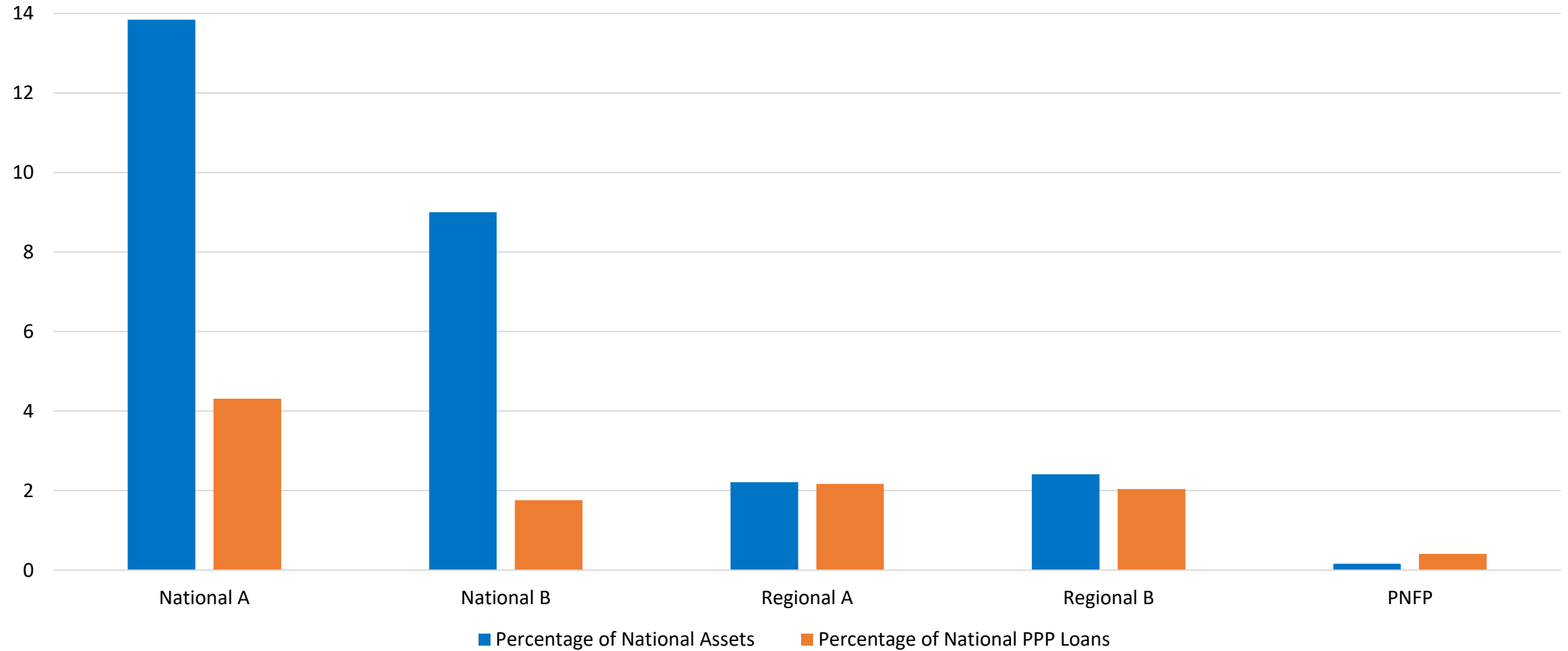
Anne A.  
When we opened a savings acct for my little, they ROUNDED UP her opening deposit by \$30 to make it an even \$100. Seriously?!? Can you even begin to imagine a BofA doing that? Yes, they've had our loyalty for years and don't need to keep earning it, but they still do!!!

Claire A.  
I had my business account with Pinnacle since 2014 and just moved my personal accounts from BOA. Why didn't I do it sooner I don't know. Pinnacle is great for all the reasons Bill mentions.

Erin F.  
Pinnacle is a fantastic bank with amazing customer service. The folks at the Berry Hill location are wonderful.

# PNFP's Differentiated Model Propels Outsized Growth

Obsession with the client experience permeates everything...



\*As of July 13, 2021

Sources: Federal Reserve bank asset data; SBA PPP lending data.

# PNFP's Differentiated Model Propels Outsized Growth

PPP is just another example of client-focused processes that yield even more PNFP promoters



## What Big Banks & Processors Said

"[One SBA lender] said it had 41,000 applications at the SBA pending review."

"[A major PPP processing platform] said it had 1.6 million PPP applications at lenders or the SBA that now have uncertain futures."

"The shutoff was a surprise to everyone. I don't think it was messaged very well, unfortunately. I am not sure why."

"You have a huge number of borrowers applying who — at the last minute after fighting to get access to the program for a year — just had the door slammed in their face."

## What Pinnacle Clients Said

"I fully believe Trey's 'diligence and vigilance' made the difference in our funding. Our company will survive the COVID crisis thanks to their outstanding help."

"Pinnacle set up their clients to succeed. I kept expecting my financial advisor Gina to be in a bad mood because of how busy she was, and it never happened. I knew she and Pinnacle would have it together, and what took place was ridiculously easy. We were funded in a matter of days."

"What I didn't realize was how fortunate we were to have Pinnacle as our banking partner. ... The process was not perfect but far from the negative experiences of clients and friends who were banking somewhere else. ... You acted like a partner committed to your client's success. While Pinnacle does not control government loan programs, your team worked tirelessly to make it work for small business."

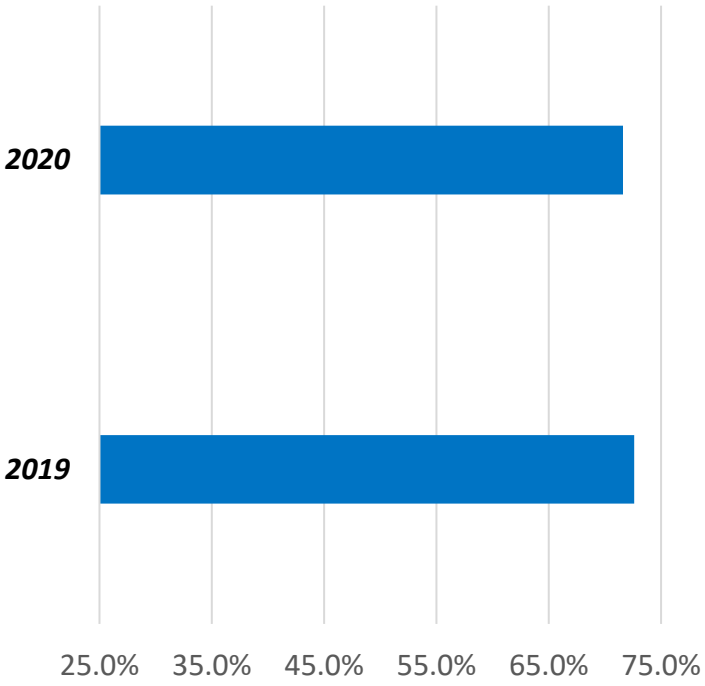
"You not only helped us go through this challenging process, you actually helped by keeping food on the table for multiple families. Our company will be forever grateful for Pinnacle's guidance, insight and sincere commitment to our company's success during this crisis."

# PNFP's Differentiated Model Propels the Growth

PNFP's client engagement was built on associate engagement



## Associate Engagement Scores



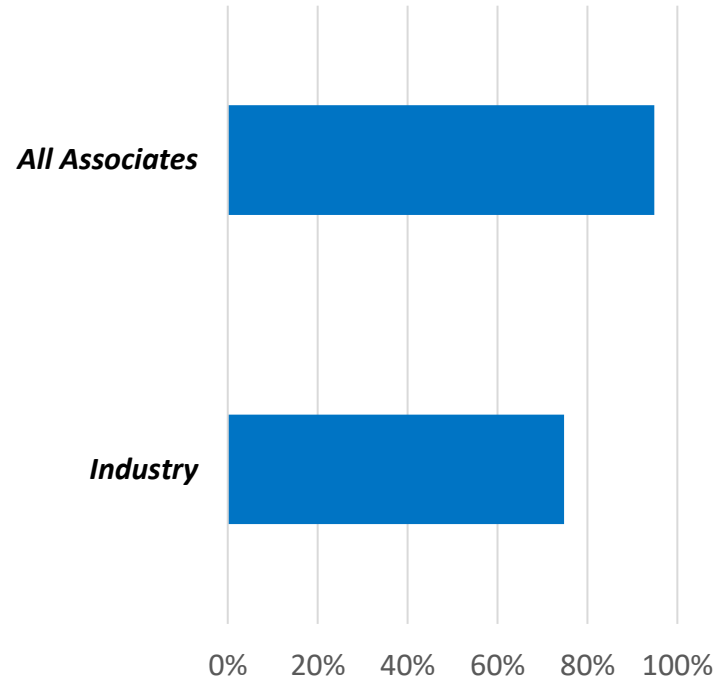
Source: Internal Work Environment Survey

## “Win Together/ Lose Together” Yields an environment of equity

- 99% of PNFP employees of color feel that management shows a sincere interest in them as a person (benchmark is 80%)
- 96% of female PNFP employees feel they receive a fair share of profits (benchmark is 75%)
- 91% of female PNFP employees feel that managers avoid playing favorites (benchmark is 74%)
- 93% of female PNFP employees feel that promotions go to those who best deserve them (benchmark is 77%)
- 90% of PNFP employees of color feel that they're paid fairly for the work they do (benchmark is 72%)

Source: Great Place To Work Survey

## 2020 Associate Retention



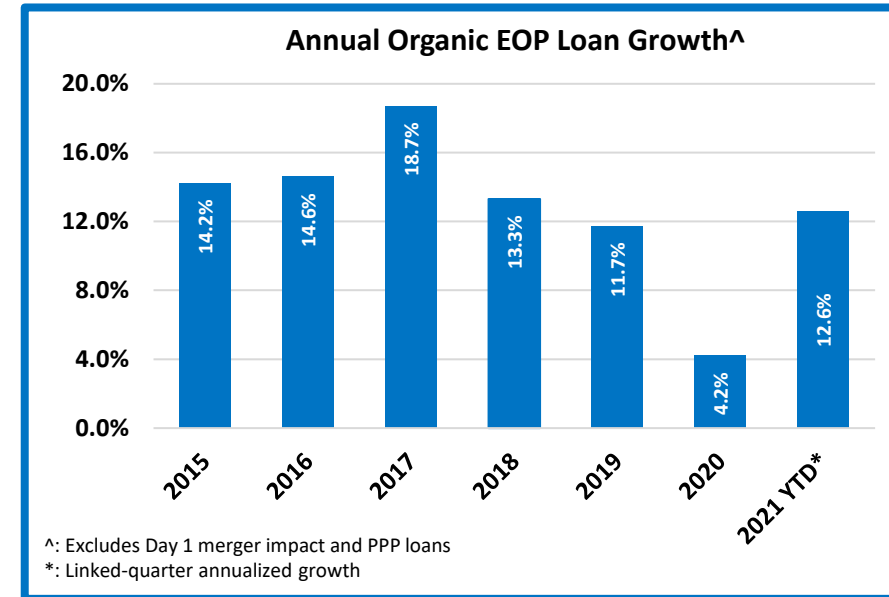
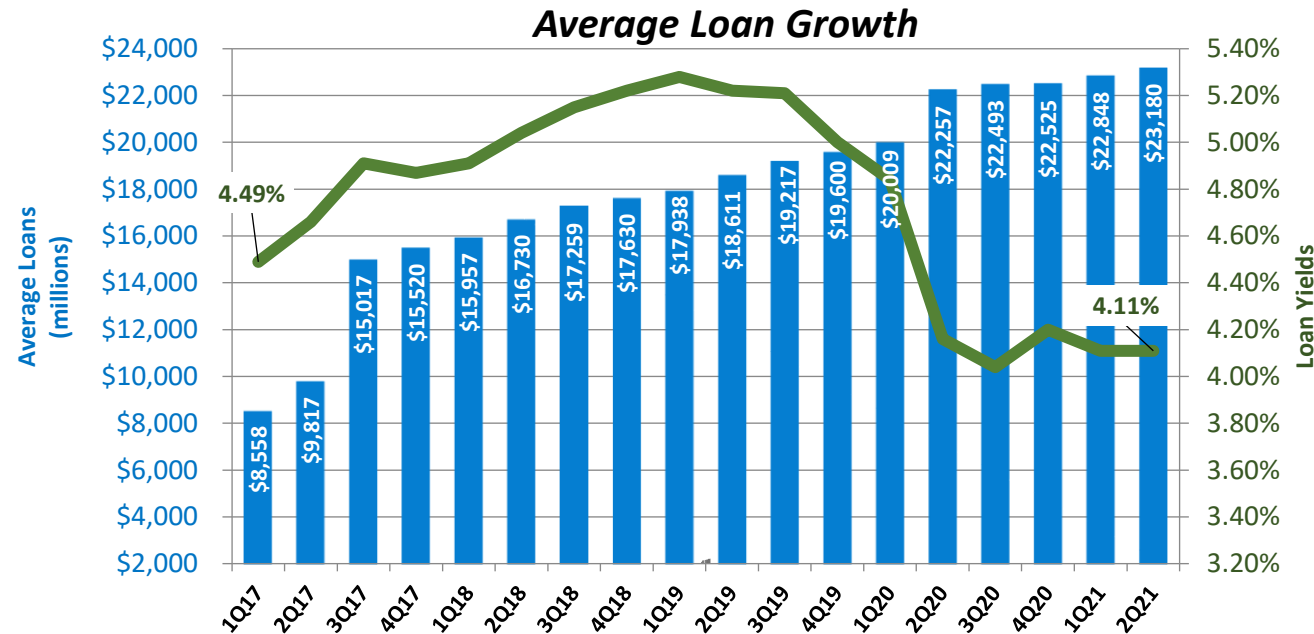
Source: Internal Work Environment Survey

# *2Q21 Financial Information*

*Excluding the impact of PPP loans, loan growth rebounded in second quarter. Along with continued growth in core deposits and fees, 2Q21 was a strong core growth quarter for the franchise.*

# PNFP had Linked-Quarter Annualized Average Loan Growth of 5.8% in 2Q21

Linked-quarter annualized average loan growth ex-PPP was 9.0% and we remain optimistic regarding 2H21 loan growth



Rate Index	End-of-Period Weighted Average Coupon				
	At Jun. 30, 2020	At Mar. 31, 2021	At Jun. 30, 2021	YOY Change	As a % of Total Portfolio
<b>LIBOR</b>	<b>2.85%</b>	<b>2.83%</b>	<b>2.80%</b>	<b>(0.05)%</b>	<b>36.9%</b>
1-MO LIBOR	0.16%	0.11%	0.10%	(0.06)%	
<b>Prime</b>	<b>3.99%</b>	<b>3.76%</b>	<b>3.72%</b>	<b>(0.27)%</b>	<b>16.3%</b>
FFS target	0.25%	0.25%	0.25%	0.00%	
<b>Fixed rate</b>	<b>4.35%</b>	<b>4.16%</b>	<b>4.06%</b>	<b>(0.29)%</b>	<b>42.2%</b>
5-YR UST	0.29%	0.93%	0.89%	0.60%	

New Loans Weighted Average Coupon for the Quarter			
2Q20	1Q21	2Q21	Origination Mix 2Q21
3.15%	2.77%	2.82%	26.3%
0.35%	0.12%	0.10%	
3.94%	3.91%	3.85%	27.3%
0.25%	0.25%	0.25%	
3.99%	3.78%	3.71%	42.5%
0.36%	0.60%	0.83%	

### 2Q21 Loan Highlights

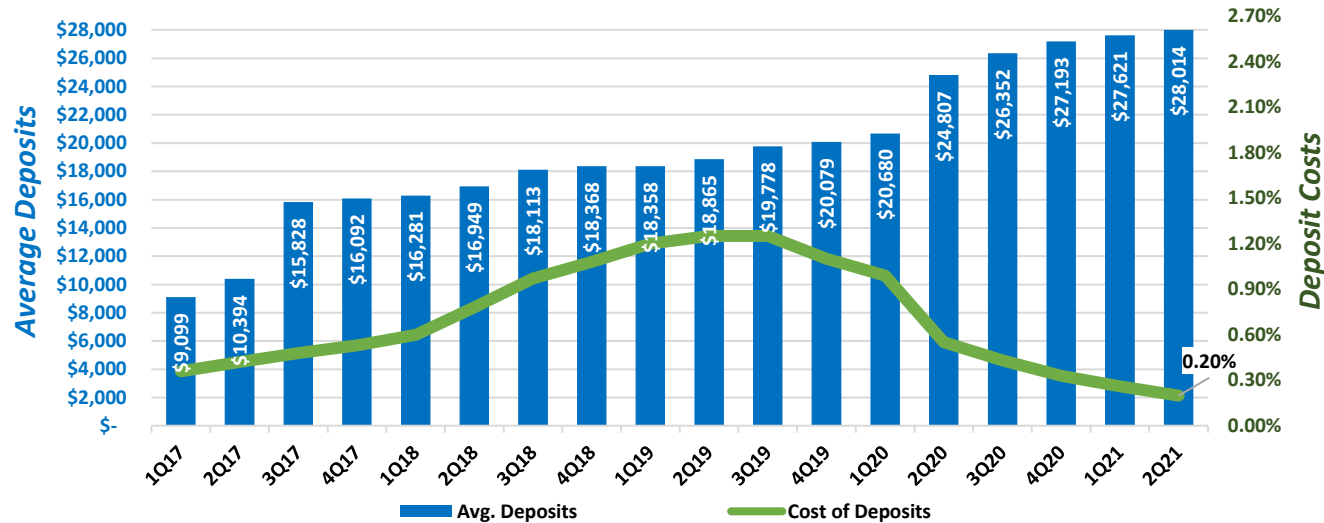
- EOP linked-quarter annualized loan growth of 12.6% excluding decline in PPP.
- Excluding PPP, anticipate high-single digit loan growth for all of 2021, as we continue to lean on new hires to deliver outsized loan growth in coming quarters.
- Loan yields mixed for 2Q21 as new LIBOR loan yields increased from 1Q21 while Prime and fixed-rate loans decreased slightly.

NOTE: Loan yields consider contractual floors for individual loans but exclude the impact of other loan interest rate derivative products.

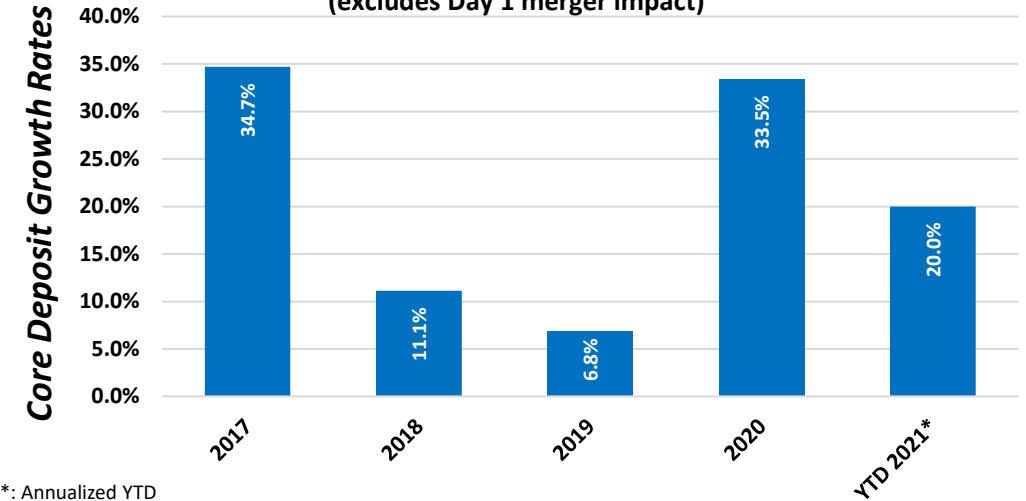
# Balance Sheet Growth was Driven by Outsized Core Deposit Inflows

Core deposit growth continues to outperform expectations

**Average Deposit Growth**



**Annual Core Deposit Growth (excludes Day 1 merger impact)**



\*: Annualized YTD

Deposit Rate Tranches	Jun. 30, 2020 EOP Rates	Mar. 31, 2021 EOP Rates	Jun. 30, 2021 EOP Rates	Jun. 30, 2021 % of Totals
<b>Noninterest bearing</b>	---	---	---	<b>31.6%</b>
<b>Interest-bearing:</b>				
Rate sheet	0.20%	0.06%	0.05%	15.2%
Negotiated	1.66%	0.26%	0.23%	37.1%
Indexed	2.43%	0.26%	0.28%	6.8%
CDs	2.32%	0.89%	0.71%	9.3%
<b>Total IBD</b>	<b>1.66%</b>	<b>0.31%</b>	<b>0.26%</b>	<b>0.0%</b>
<b>Total</b>	<b>1.28%</b>	<b>0.22%</b>	<b>0.18%</b>	<b>100.0%</b>

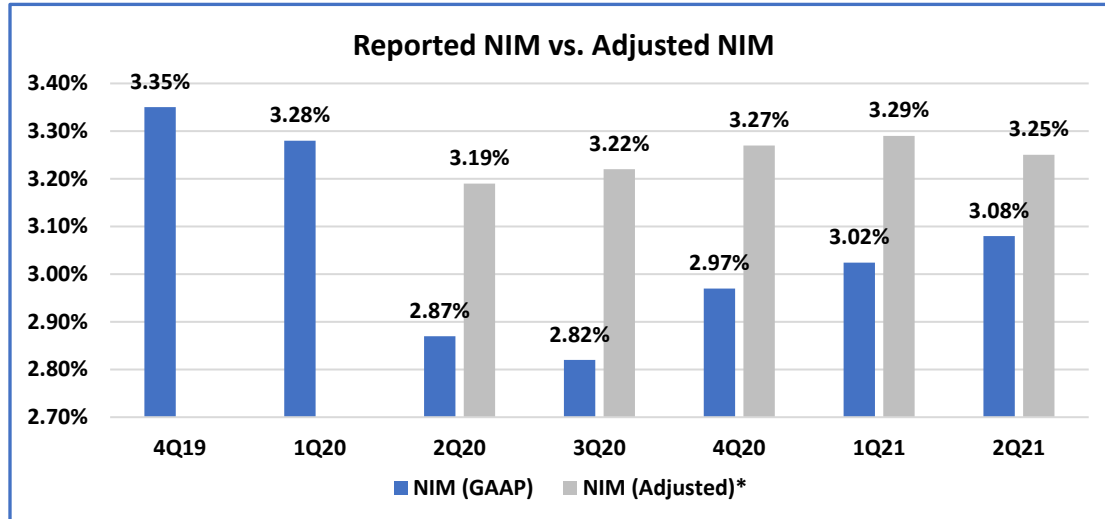
**2Q21 Deposit Highlights**

- **Linked-quarter annualized core deposit growth in 2Q21 of 14.2% over 1Q21**
- **Wholesale deposits down \$950mm in 2Q21**
- **Anticipate core deposit growth to remain strong for remainder of 2021**
- **Continue to target an average deposit rate of ~0.10% to 0.15% by 4Q21**



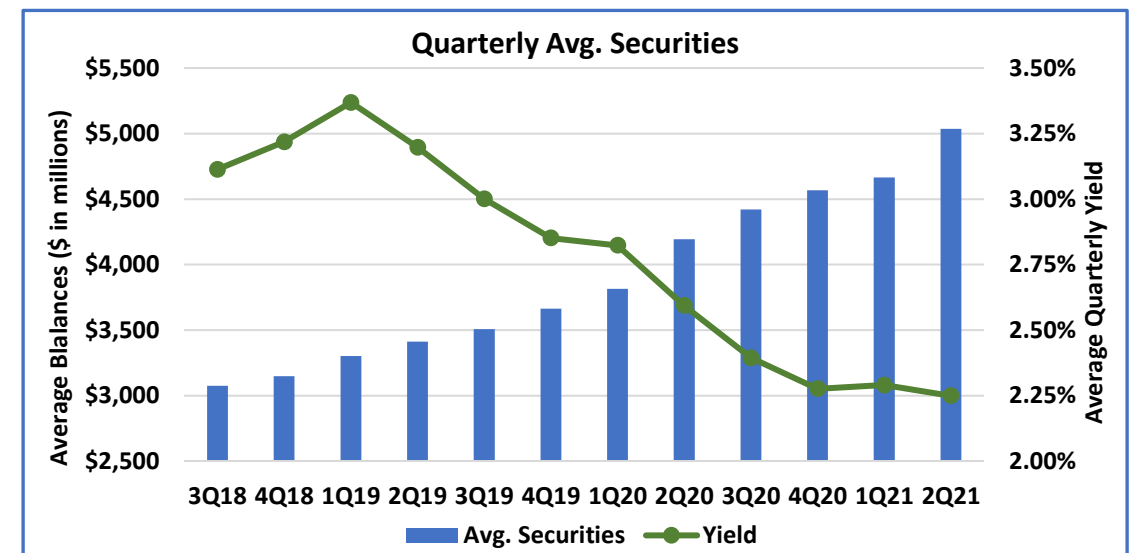
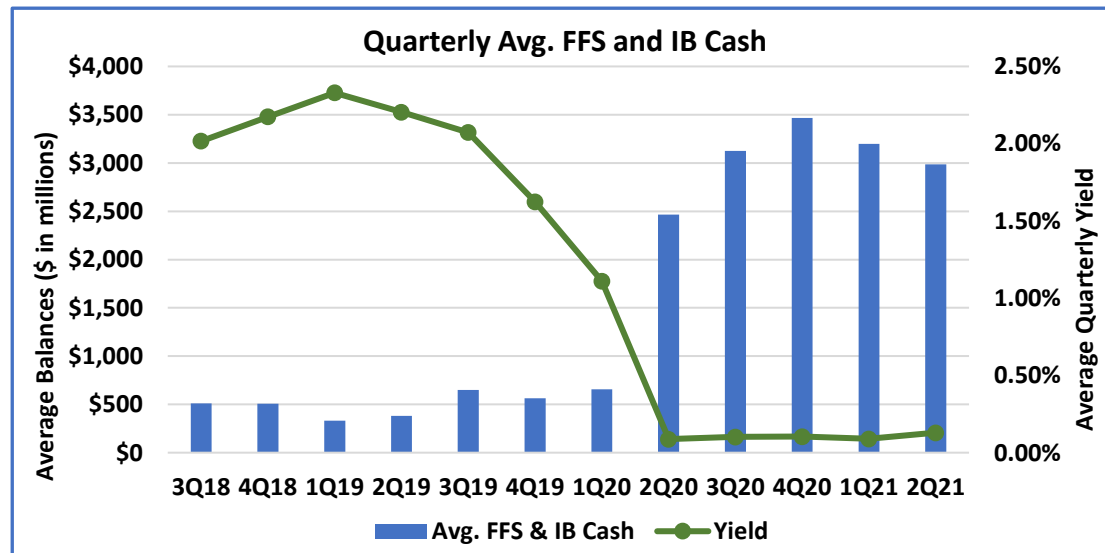
# Excess Liquidity Continues to Impact NIM, Although Less in 2Q21

Rebound in loan demand should reduce elevated liquidity in coming quarters



### 2Q21 Liquidity Highlights

- **Strong deposit growth and PPP forgiveness/payoff activity continued to bolster liquidity levels**
- **Average FFS & IB cash balances declined to 9.5% of earning assets from 10.4% in 1Q21 and 11.3% in 4Q20 so progress is being made**
- **Grew bond portfolio \$636 million in 2Q21; expect loan growth to be bigger driver of reduced liquidity in 3Q21**



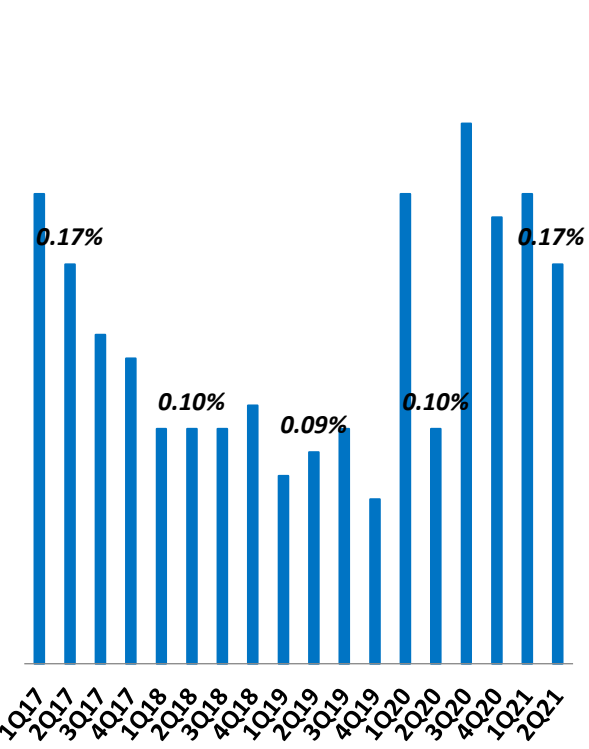
\*Adjusted NIM excludes the impact of liquidity build and the PPP lending programs as shown on slide 10. See slides 54-58 for a reconciliation of reported NIM to adjusted NIM.

# PNFP's Asset Quality Has Continued to Hold Up

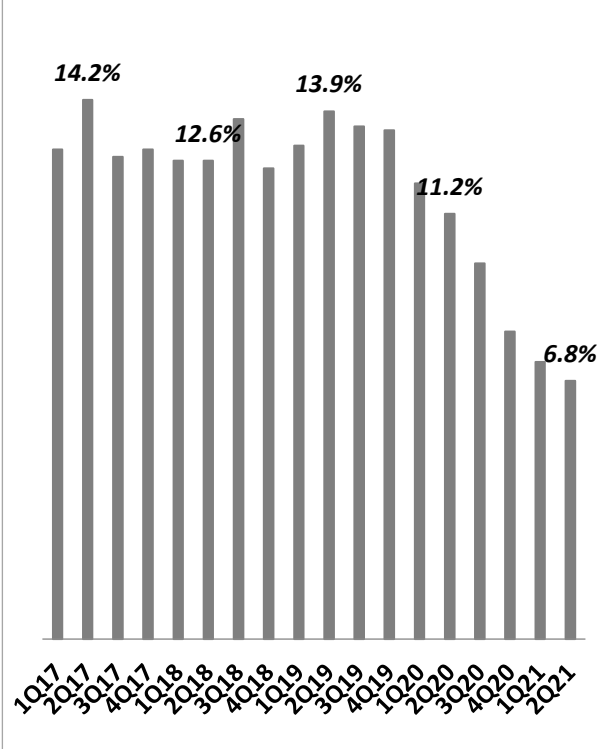
Asset quality metrics continue to remain stable going into the second half of 2021



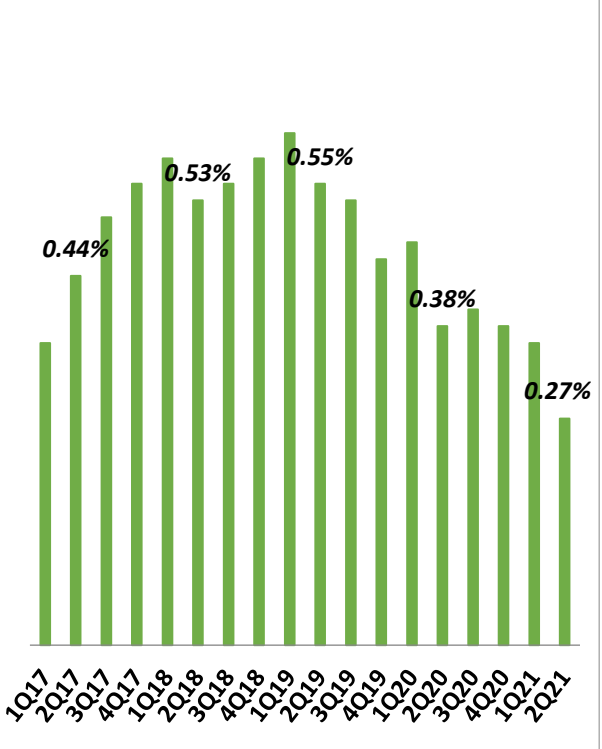
**Net Charge-offs**



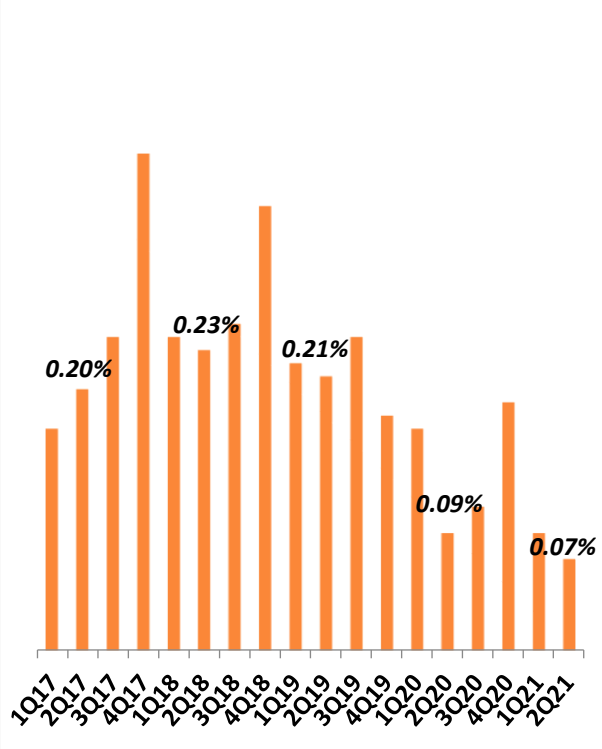
**Classified Asset Ratio**



**NPA/ Loans & OREO**



**Past Dues as a % of Total Loans**



## **Comprehensive Credit defense work completed during the 2<sup>nd</sup> quarter included a comprehensive review of:**

- *Hotel loans \$1MM and greater*
- *All non-pass grade exposures > \$500,000*

## **Plan for the remainder of the year:**

- Continue our very disciplined level of re-risk grading the Hotel portfolio
- Maintain our focus on COVID-impacted low pass graded loans

## **ALL to Total Loan ratio:**

- Trend downward over the next few quarters consistent with improving economic landscape
- COVID segments are performing better than anticipated

# PNFP Grew Fees at a Double-Digit Rate YOY

BHG and other fee areas provided for substantial growth



## 2Q21 vs. 1Q21

- *Investment services and trust fees are up due to an active trading environment for our wealth managers*
- *Mortgage revenues down quarter over quarter as rate environment fluctuates and housing inventory decreases*
- *Income from BHG up due to continuing record loan originations and placements in 2Q21*
- *Gains on other equity investments up due to updated market values for certain investments*
- *SBA loan sales up in the quarter due to increased volumes and premiums at all-time highs*

	2Q21	1Q21	2Q20	Linked-Quarter Annualized Growth %
Service charges	\$8,906	\$8,307	\$6,910	28.8%
Investment services	8,997	8,191	5,971	39.4%
Insurance commissions	2,406	3,225	2,231	(>100.0%)
Gain on mortgage loans sold, net	6,700	13,666	19,619	(>100.0%)
Investment gains and losses, net	366	-	(128)	100.0%
Trust fees	5,062	4,687	3,958	32.0%
Income from equity method investment (BHG)	32,071	28,950	17,208	43.1%
Other:				
Interchange and other consumer fees	14,136	12,592	8,323	49.0%
Bank-owned life insurance	4,743	4,726	4,726	1.4%
Loan swap fees	985	903	614	36.3%
SBA loans sales	3,834	1,855	941	>100.0%
Gains on other equity investments	6,956	3,440	(278)	>100.0%
Other	3,045	2,167	2,859	>100.0%
<b>Total noninterest income</b>	<b>\$98,207</b>	<b>\$92,709</b>	<b>\$72,954</b>	<b>23.7%</b>
<b>Noninterest income/Average Assets</b>	<b>1.12%</b>	<b>1.08%</b>	<b>0.89%</b>	<b>14.8%</b>
Noninterest income**	\$97,841	\$92,709	\$73,082	22.1%
<i>Noninterest Income**/Total Average Assets</i>	<i>1.12%</i>	<i>1.08%</i>	<i>0.90%</i>	<i>14.8%</i>
<i>Noninterest Income**/Total Average Assets^</i>	<i>1.18%</i>	<i>1.15%</i>	<i>0.95%</i>	<i>10.4%</i>

\*\* : Excluding gains and losses on sales of investment securities. For a reconciliation of these Non-GAAP financial measures to the comparable GAAP measures, see slides 63-64.

^ : Excluding the impact of PPP loans on average assets

# Expenses In-line with Expectations for 2Q21

Incentives will be largest expense growth category in 2021, given below target payouts in 2020



## 2Q21 vs. 1Q21

- **Incentive accruals for both the annual cash incentive and equity plans continue to be accrued at above target payout compared to below target in 2020. Cash incentive plan being accrued at anticipated maximum payout for 2021.**
- **Lending-related costs up due to increased costs related to the facilitation of PPP**
- **Anticipate expense run rates for 3Q21 and 4Q21 to be flat to down from 2Q21 expense.**

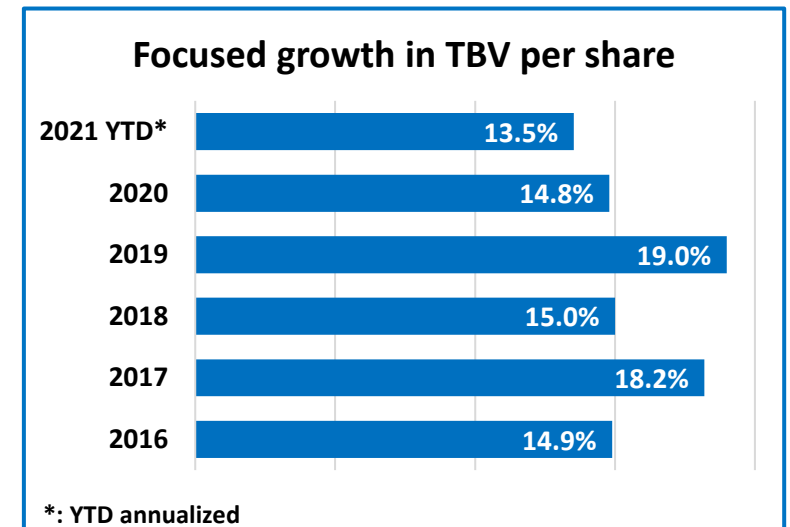
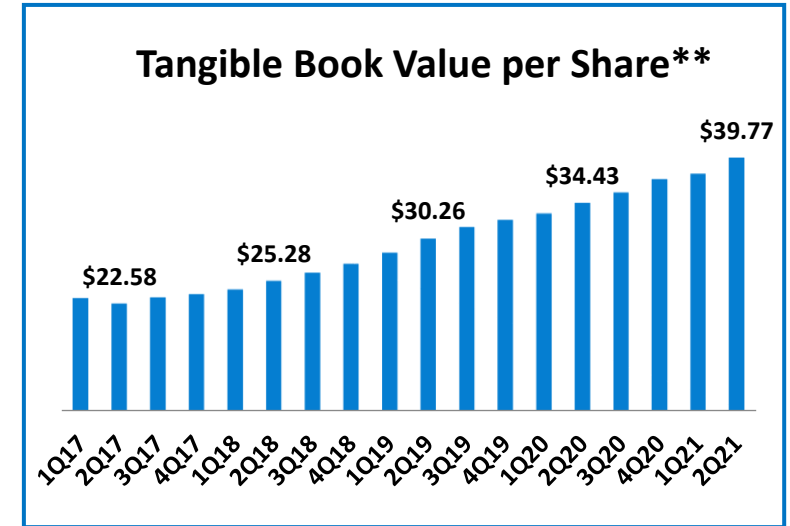
	2Q21	1Q21	2Q20	Linked-Quarter Annualized Growth %
Salaries and employee benefits: Salaries	\$58,622	\$57,589	\$54,645	7.2%
Commissions	5,452	4,723	3,611	61.7%
Cash and equity incentives	31,293	23,642	4,824	>100.0%
Employee benefits and other	15,457	16,774	10,807	(31.4%)
Total salaries and benefits	\$110,824	\$102,728	\$73,887	31.5%
Equipment and occupancy	23,321	23,220	22,026	1.7%
Other real estate owned, net	(657)	(13)	2,888	>100.0%
Marketing and related expense	2,652	2,349	2,142	51.6%
Postage and supplies	2,115	1,806	2,070	68.4%
Amortization of intangibles	2,167	2,206	2,479	(7.1%)
Other noninterest expense:				
Deposit related expense	7,041	6,804	5,677	13.9%
Lending related expense	9,634	7,782	10,476	95.2%
Wealth management expense	509	435	499	68.0%
Other noninterest expense	8,534	7,379	9,461	62.6%
Total	\$25,718	\$22,400	\$26,113	59.3%
Total noninterest expense	\$166,140	\$154,696	\$131,605	29.6%
Efficiency ratio	50.1%	49.0%	48.1%	9.0%
Expense/Total Average Assets	1.90%	1.81%	1.61%	19.9%
<b>Noninterest expense *</b>	<b>\$166,797</b>	<b>\$154,709</b>	<b>\$125,847</b>	<b>31.3%</b>
<b>Efficiency ratio **</b>	<b>50.4%</b>	<b>49.0%</b>	<b>46.0%</b>	<b>11.4%</b>
<b>Noninterest Expense*/Total Average Assets</b>	<b>1.91%</b>	<b>1.81%</b>	<b>1.54%</b>	<b>22.1%</b>
<b>Headcount (FTE)</b>	<b>2,706.0</b>	<b>2,621.0</b>	<b>2,577.5</b>	<b>13.0%</b>

\*: Excluding the impact of ORE expense (income) and FHLB restructuring charges.

\*\* : Excluding the impact of ORE expense, securities gains and losses, net, and FHLB restructuring charges. For a reconciliation of these Non-GAAP financial measures to the comparable GAAP measures, see slide 63-64.

# Several Capital Initiatives in 2021

- **Dividends –**
  - Increased dividends per common share to \$0.18 from \$0.16 in 1Q21
- **Share Buy Back Program –**
  - Board authorized a \$125.0 million plan on January 19, 2021, through March 31, 2022; no shares repurchased under the most recent authorization.
- **Subordinated Indebtedness –**
  - \$130 million of bank-level subordinated debt – rate of 3.3% at June 30, 2021. Anticipate redemption of this debt in late July 2021.
  - \$120 million of parent company subordinated debt will become eligible for redemption beginning November 15, 2021 – rate of 5.25% at June 30, 2021
- **Tangible Book Value Growth –**
  - Tangible book value per share at 2Q21 up 71.1% since 1Q17
    - Average TBV per share of peer group was \$20.60 in 2017 compared to \$25.35 in 1Q 2021, a growth rate of 23.1%
  - Tangible book value per share growth rate in comparison to peers added as a performance component to leadership equity compensation plan in 2021



\*\*: excluding goodwill, core deposit and other intangible assets

Note: For a reconciliation of these Non-GAAP financial measures to the comparable GAAP measures, see slides 63-64. Peer group noted on slide 66.

# PNFP is Gaining Optimism about 2021

The results of the pandemic are not completely known, but we remain confident in our model



## 2021 Outlook – as of July 19, 2021 (Note)

### Y/Y End of Period Loan Growth

- The addition of the Huntsville and Birmingham, AL markets as well as the momentum in the Atlanta, GA market provide a reasonable basis to anticipate high-single digit percentage loan growth in 2021, excluding impact of PPP.

### Y/Y End of Period Deposit Growth

- Client funding should continue to rise over the next few quarters allowing for additional wholesale liquidity to be redeemed.

### Net interest income

- Reduced PPP income likely to impact GAAP net interest margin negatively.
- GAAP net interest income for 1H21 should approximate GAAP net interest income in the second half of 2021.

### Fee income

- Mortgage revenues should stabilize with Q2 levels for the remainder of 2021.
- Increasing BHG full year 2021 growth rate over 2020 to approximately 40%.
- Wealth management fees (investment services, trust and insurance) look to be 15-20% higher in the aggregate in 2021 over 2020.

### Expenses

- We will continue to aggressively recruit the best financial advisors in our markets which will also require increased infrastructure support. Total personnel expense, inclusive of incentives, could increase in the second half of 2021. We anticipate total expenses in 3Q21 and 4Q21 to be equal or less than total expenses in 2Q21.

### Credit quality

- Loss content in our loan portfolio should be manageable as we enter the second half of 2021.
- Anticipate further reduction in the ALL ratio to total loans provided the economy, particularly as our local markets continue to improve.

*Note: 2021 outlook is based on current facts and circumstances. Our outlook is subject to change based on numerous factors which may require us to change our outlook at any time. These factors may include, among the other risks described herein, changes in operating strategy, balance sheet positioning or macroeconomic factors such as significant changes in interest rates or government stimulus programs.*

# *Bankers' Healthcare Group*

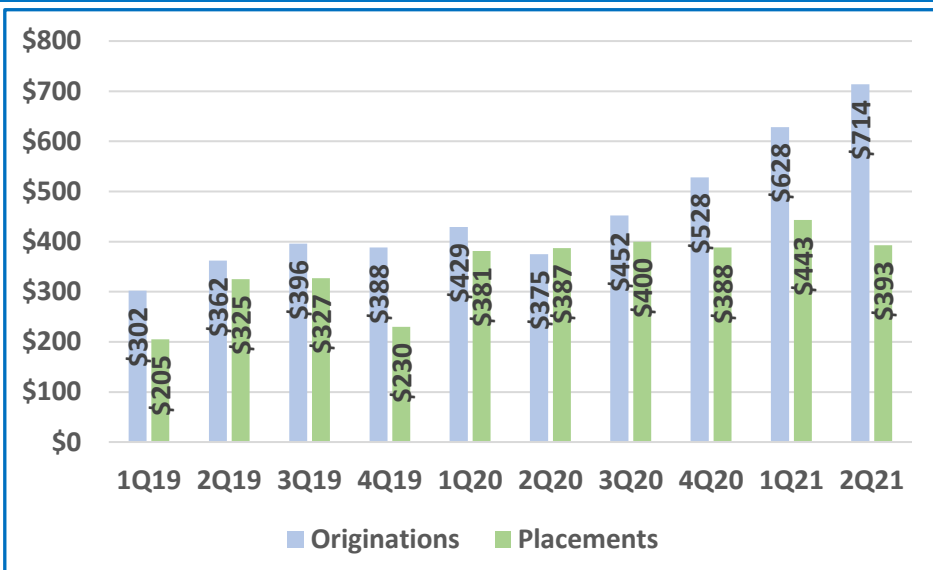
*BHG's differentiated model has proven very resilient with continued strong originations, loan sales and yield/spread premium. The gain on sale model continues to provide meaningful earnings to BHG and to Pinnacle. Capital and reserve levels support a very sound balance sheet.*



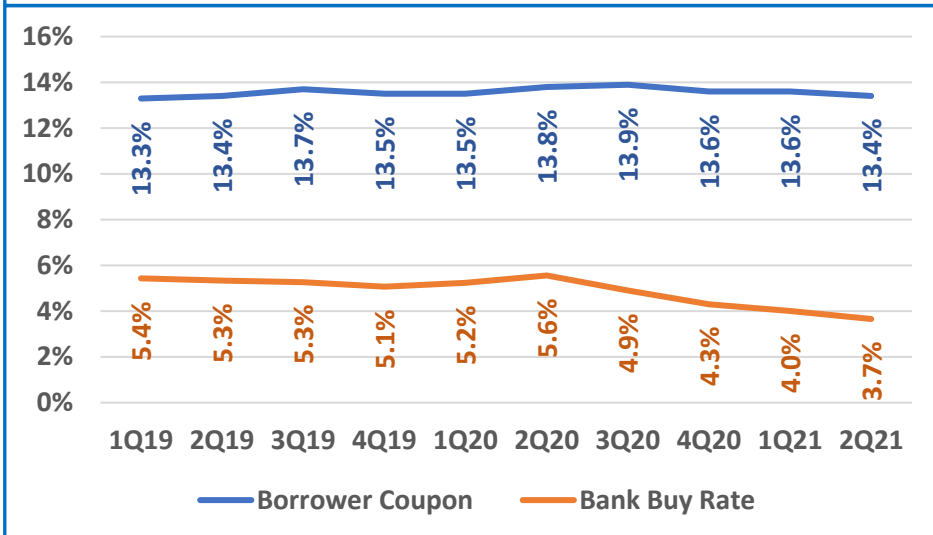
# The Pandemic Served to Validate the PNF/BHG Model

BHG continues to originate loans at record levels while maintaining yields

Loan Originations and Placements

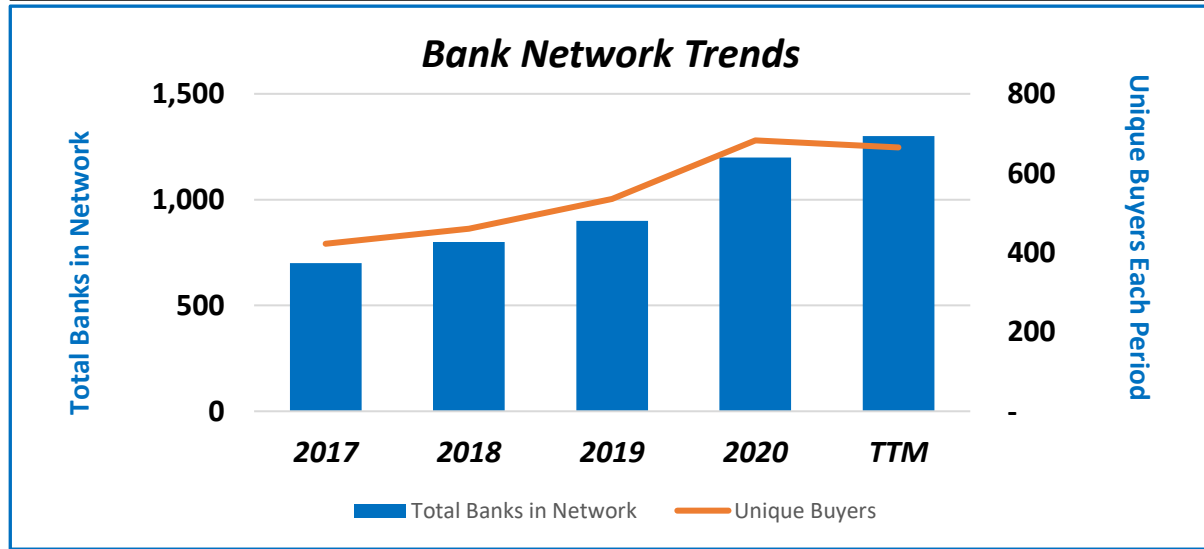


Coupon and Buy Rates



**BHG Business Model Drives Outperformance**

- 2Q21 was the 4th consecutive record highest origination quarter in the history of BHG
- Net interest spreads (~9%) have been resilient for several years in spite of interest rate fluctuations
- BHG's vast bank funding platform has proven to be extremely reliable with ready liquidity to acquire BHG loans and differentiating BHG from other online lenders
- Funded second securitization in 2Q21 with \$375 million in loans during 2Q21



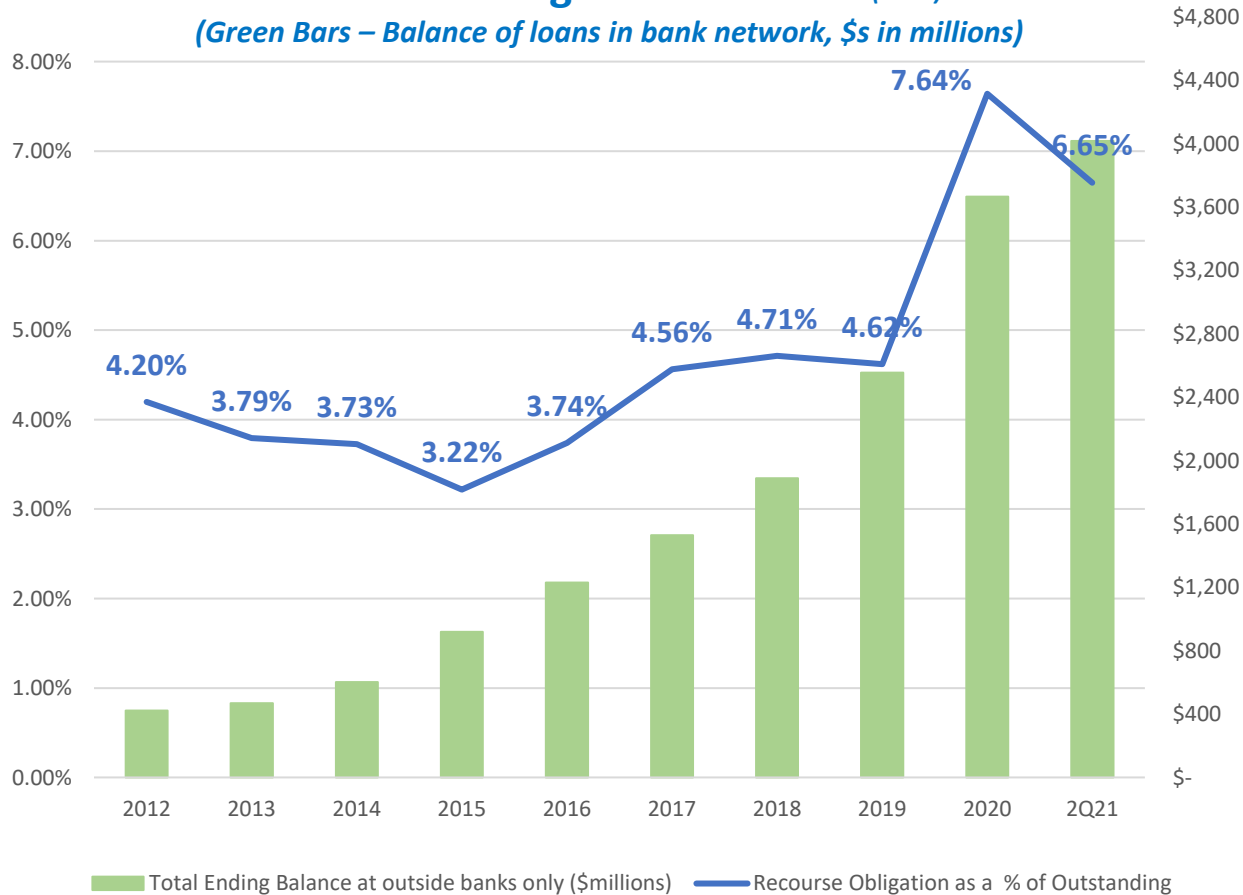
Source: BHG Internal Data – charts exclude impact of PPP and SBA loans originated by BHG. Furthermore, borrower coupon rates include all loans originating by BHG including loans retained by BHG on balance sheet as well as loans sold to other banks.

# The Pandemic Served to Validate the PNFP/BHG Model

Recourse obligation reserve build was partially released in 2Q21

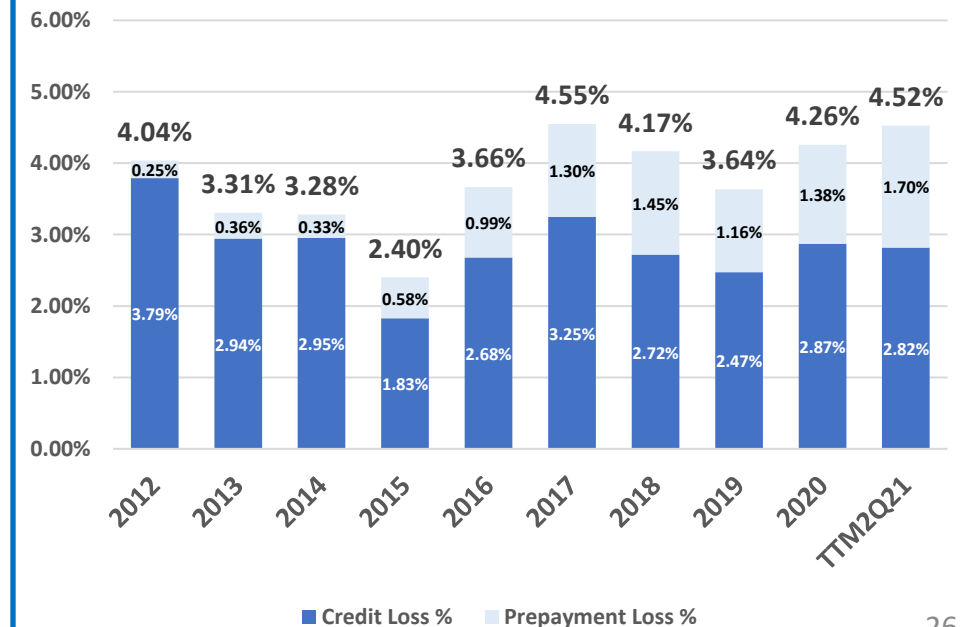
## Recourse Obligation Reserves (Note)

(Green Bars – Balance of loans in bank network, \$s in millions)



- **Recourse obligation reserves decreased to 6.65% of total loans outstanding (loans sold to other banks) of \$4.0B**
- **2Q21 reduction in recourse obligation includes a partial release of COVID reserves (added mostly during 2020) while maintaining its historically strong profitability**
- **Anticipate additional recourse obligation reserve release before the end of 2021 as recourse obligation is ultimately anticipated to approach pre-COVID levels by the end of 1H22**

## Recourse Losses as % of Outstanding Balances



**Note: Recourse Obligation is a reserve on BHG’s balance sheet set aside to cover losses attributable to acceptance of substitutions from loans previously sold to banks in the BHG network.**

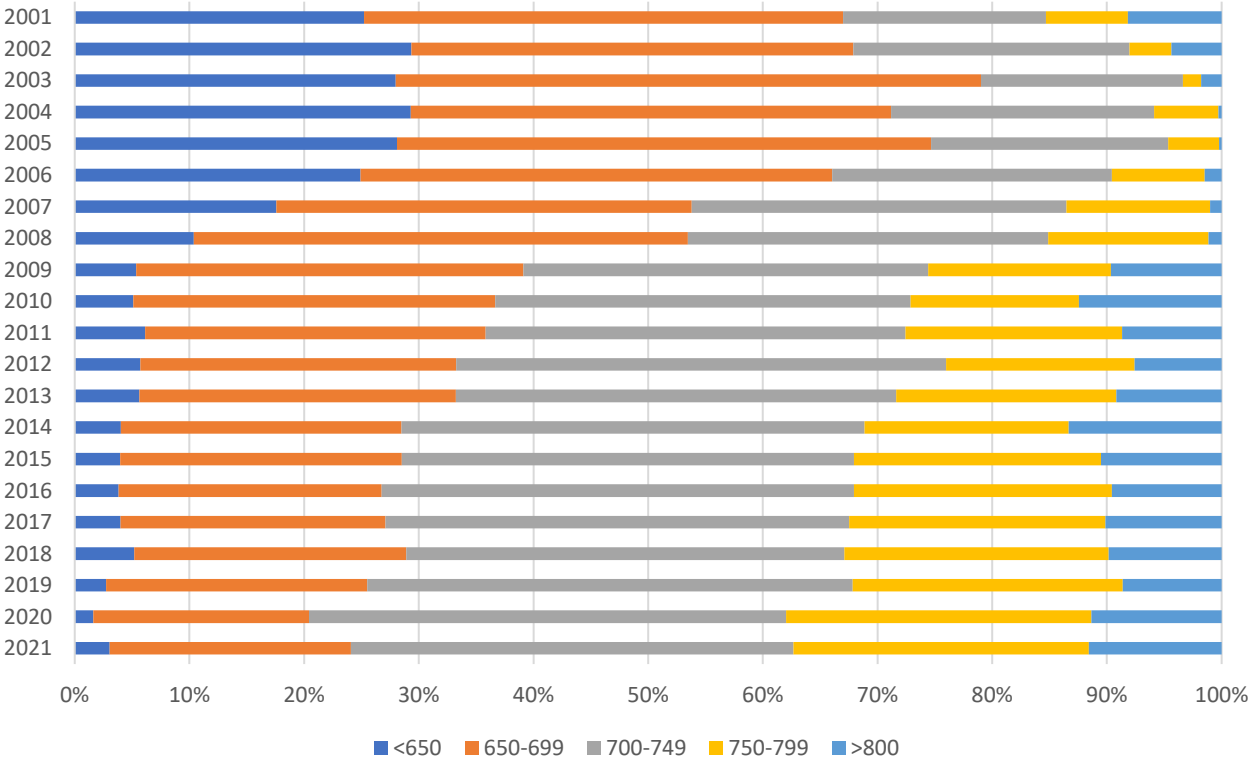
**Source: BHG Internal Data**

# The Pandemic Served to Validate the PNFP/BHG Model

Vintage analysis demonstrates continuous improvement in asset quality



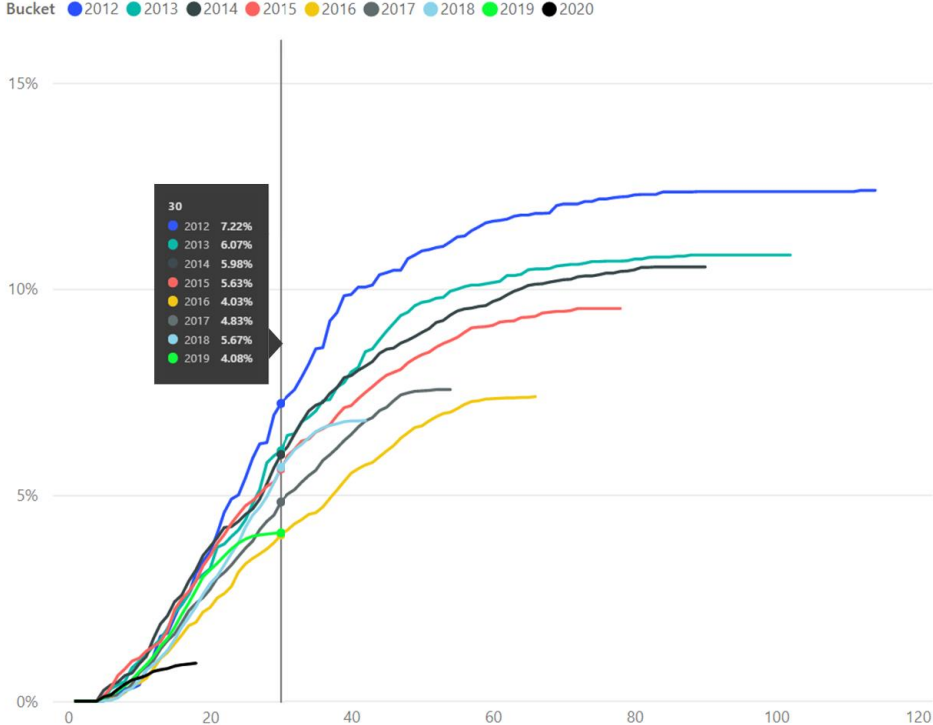
## Historical FICO Scores



- **FICO scores continue to reflect a high caliber borrower base**
- **Average FICO scores of 734 at origination for loans outstanding at June 30, 2021**

- **Historical credit results indicate that 70% of losses occur within first 36 months of origination**
- **Data is through Jun 30, 2021; 2019 information includes 30 months of history. Steady improvement in credit over past 7-8 years.**

## ChargeOff Ratio by Vintages



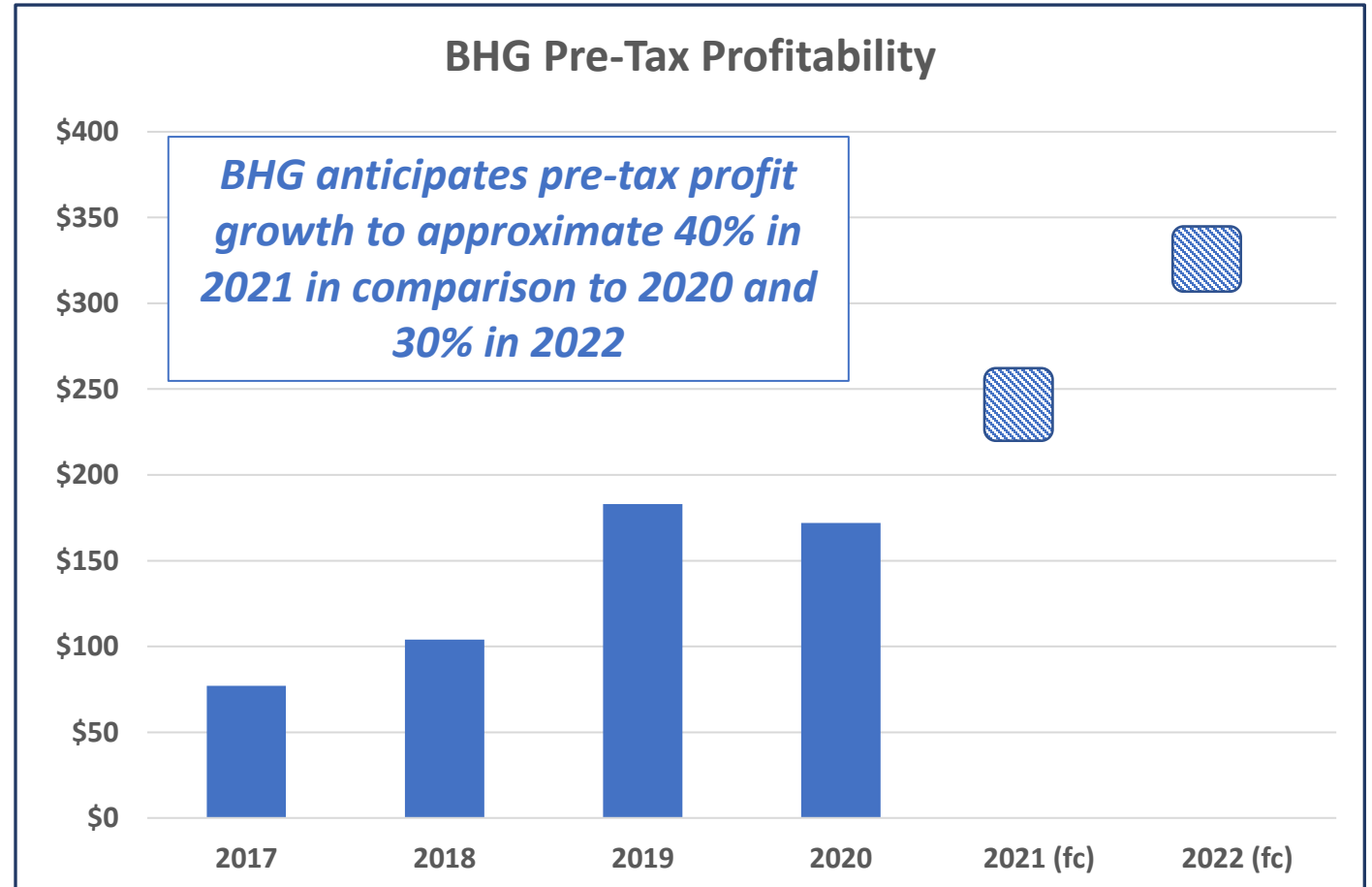
Source: BHG Internal Data

# The Pandemic Served to Validate the PNFP/BHG Model

BHG believes its unique model is outperforming other online lenders by a wide margin

## ***Big plans at BHG and Future Growth opportunities***

- ***Deeper penetration for Core Product < 1% of market share currently***
- ***Expansion of credit card platform capability to medical and other professionals as well as potential alliances with other fintechs***
- ***Patient lending for hospitals and surgery centers with loan terms up to 60 months***
- ***POS opportunities for elective medical procedures as well as other potential retail finance outlets***
- ***White label consumer lending platform***
- ***Leverage partnership with Pinnacle to develop deposit products for medical and other professionals***



# Q&A

SECOND QUARTER 2021

**Pinnacle**<sup>SM</sup>  
FINANCIAL PARTNERS



- *Balance Sheet*
- *Income Statement*
- *Peer Group*

Slide #

31

59

66

# Balance Sheet – Loan Portfolio

<i>(\$ in millions)</i>	Amts. 2Q21	% 2Q21	Amts. 1Q21	% 1Q21	Amts. 2Q20	% 2Q20	Amts. 2Q19	%s 2Q19
C&I	\$6,771.3	29.6%	\$6,355.1	27.5%	\$6,293.7	27.9%	\$5,795.1	30.8%
C&I – Paycheck Protection Program	1,372.9	6.0%	2,221.4	9.6%	2,222.6	9.9%	-	-
CRE – Owner Occ.	2,817.7	12.3%	2,869.8	12.5%	2,708.3	12.0%	2,624.2	13.9%
<b>Total C&amp;I &amp; O/O CRE</b>	<b>\$10,961.9</b>	<b>47.9%</b>	<b>\$11,446.3</b>	<b>49.6%</b>	<b>\$11,224.6</b>	<b>49.8%</b>	<b>\$8,419.3</b>	<b>44.7%</b>
CRE – Investment	4,644.5	20.2%	4,782.7	20.7%	4,822.5	21.4%	4,252.1	22.6%
CRE – Multifamily and other	724.3	3.2%	790.5	3.4%	561.5	2.5%	709.1	3.8%
C&D and Land	2,791.6	12.2%	2,569.0	11.1%	2,574.5	11.5%	2,118.0	11.3%
<b>Total CRE &amp; Construction</b>	<b>\$8,160.4</b>	<b>35.6%</b>	<b>\$8,142.2</b>	<b>35.2%</b>	<b>\$7,958.5</b>	<b>35.4%</b>	<b>\$7,079.2</b>	<b>37.6%</b>
Consumer RE	3,335.5	14.6%	3,086.9	13.4%	3,042.6	13.5%	2,949.8	15.8%
Consumer and other	440.1	1.9%	411.3	1.8%	294.5	1.3%	366.0	1.9%
<b>Total Other</b>	<b>\$3,775.6</b>	<b>16.5%</b>	<b>\$3,498.2</b>	<b>15.2%</b>	<b>\$3,337.1</b>	<b>14.8%</b>	<b>\$3,315.8</b>	<b>17.7%</b>
<b>Total loans</b>	<b>\$22,897.9</b>	<b>100.0%</b>	<b>\$23,086.7</b>	<b>100.0%</b>	<b>\$22,520.2</b>	<b>100.0%</b>	<b>\$18,814.3</b>	<b>100.0%</b>

# Balance Sheet – Loan Portfolio

(\$ in millions)	TOTAL PINNACLE		TENNESSEE LOANS		CAROLINAS/ VA LOANS		ATLANTA		OTHER UNIT LOANS*	
	Amts. 2Q21	Amts. 2Q20	Amts. 2Q21	Amts. 2Q20	Amts. 2Q21	Amts. 2Q20	Amts. 2Q21	Amts. 2Q20	Amts. 2Q21	Amts. 2Q20
C&I	\$6,711.3	\$6,293.7	\$4,698.9	\$4,594.5	\$897.8	\$895.5	\$51.2	\$19.1	\$1,123.4	\$784.6
C&I – Paycheck Protection Program	1,372.9	2,222.6	-	-	-	-	-	-	1,372.9	2,222.6
CRE – Owner Occ.	2,817.7	2,708.3	1,592.9	1,585.0	1,044.8	950.8	69.4	7.9	110.6	164.6
<b>Total C&amp;I &amp; O/O CRE</b>	<b>\$10,961.9</b> (2.3%)	<b>\$11,224.6</b>	<b>\$6,291.8</b> (1.8%)	<b>\$6,179.5</b>	<b>\$1,942.6</b> (5.2%)	<b>\$1,846.3</b>	<b>\$120.6</b> (346.7%)	<b>\$27.0</b>	<b>\$2,606.9</b> (17.8%)	<b>\$3,171.8</b>
CRE – Investment	4,644.5	4,822.5	1,757.9	2,108.3	2,777.0	2,648.3	15.3	14.5	94.3	51.4
CRE – Multifamily and other	724.3	561.5	472.9	474.1	228.0	86.0	20.9	-	2.5	1.4
C&D and Land	2,791.6	2,574.5	1,549.0	1,374.6	1,194.7	1,178.6	19.1	0.5	28.8	20.8
<b>Total CRE &amp; Construction</b>	<b>\$8,160.4</b> (2.5%)	<b>\$7,958.5</b>	<b>\$3,779.8</b> (4.5%)	<b>\$3,957.0</b>	<b>\$4,199.7</b> (1.3%)	<b>\$3,912.9</b>	<b>\$55.3</b> (268.7%)	<b>\$15.0</b>	<b>\$125.6</b> (70.7%)	<b>\$73.6</b>
Consumer RE	3,335.5	3,042.6	2,041.5	1,742.2	1,170.0	1,186.9	29.7	1.0	94.3	112.5
Consumer and other	440.1	294.5	169.8	174.6	38.2	42.9	0.7	-	231.4	77.0
<b>Total Other</b>	<b>\$3,775.6</b> (13.1%)	<b>\$3,337.1</b>	<b>\$2,211.3</b> (15.4%)	<b>\$1,916.8</b>	<b>\$1,208.2</b> (1.8%)	<b>\$1,229.8</b>	<b>\$30.4</b> (2,940.0%)	<b>\$1.0</b>	<b>\$325.7</b> (71.9%)	<b>\$189.5</b>
<b>Total Loans</b>	<b>\$22,897.9</b> (1.1%)	<b>\$22,520.2</b>	<b>\$12,282.9</b> (1.9%)	<b>\$12,053.3</b>	<b>\$7,350.5</b> (5.2%)	<b>\$6,989.0</b>	<b>\$206.3</b> (379.8%)	<b>\$43.0</b>	<b>\$3,058.2</b> (11.0%)	<b>\$3,434.9</b>
<b>Average Ticket Size (in '000s)</b>	<b>\$281.9</b>	<b>\$272.6</b>	<b>\$417.8</b>	<b>\$405.2</b>	<b>\$234.3</b>	<b>\$213.7</b>	<b>\$758.4</b>	<b>\$1,076.1</b>	<b>\$153.4</b>	<b>\$172.0</b>

**Note:** Percentages noted in red text represent year-over-year growth rates.

\*: Represents mortgage, associate banking, automobile finance and various other business lines.



# Balance Sheet – Loan Portfolio

(\$ in millions)	TOTAL PINNACLE		C&I & O/O CRE		CRE & CONSTRUCTION		OTHER LOANS*	
	Amts. 2Q21	Amts. 2Q20	Amts. 2Q21	Amts. 2Q20	Amts. 2Q21	Amts. 2Q20	Amts. 2Q21	Amts. 2Q20
Nashville	\$6,635.0	\$6,681.3	\$2,913.5	\$2,991.1	\$2,487.9	\$2,603.2	\$1,233.6	\$1,087.0
Knoxville	1,776.4	1,776.9	1,014.5	1,066.5	466.1	491.3	295.8	219.1
Music and Entertainment	822.3	559.6	680.7	431.8	10.1	20.8	131.5	107.0
Chattanooga	1,485.6	1,430.2	848.5	836.6	344.1	321.9	293.0	271.7
Memphis	1,563.6	1,605.3	834.6	853.5	471.6	519.8	257.4	232.0
<b>Total Tennessee</b>	<b>\$12,282.9</b>	<b>\$12,053.3</b>	<b>\$6,291.8</b>	<b>\$6,179.5</b>	<b>\$3,779.8</b>	<b>\$3,957.0</b>	<b>\$2,211.3</b>	<b>\$1,916.8</b>
Greensboro/Highpoint	1,687.1	1,712.8	581.2	583.3	866.5	884.9	239.4	244.6
Charlotte	2,331.4	2,093.3	536.8	508.7	1,361.9	1,192.7	432.7	391.9
Raleigh	1,286.0	1,214.4	209.0	198.1	936.5	867.1	140.5	149.2
Charleston	882.6	822.6	188.1	160.5	454.4	392.5	240.1	269.6
Greenville	436.2	427.0	129.7	116.3	251.3	261.3	55.2	49.4
Roanoke	589.1	601.1	175.9	177.6	313.9	299.1	99.3	124.4
SBA	138.1	117.8	121.9	101.8	15.2	15.3	1.0	0.7
<b>Total Carolina/VA</b>	<b>\$7,350.5</b>	<b>\$6,989.0</b>	<b>\$1,942.6</b>	<b>\$1,846.3</b>	<b>\$4,199.7</b>	<b>\$3,912.9</b>	<b>\$1,208.2</b>	<b>\$1,229.8</b>
Atlanta	206.3	43.0	120.6	27.0	55.3	15.0	30.4	1.0
Paycheck Protection Program	1,372.9	2,222.6	1,372.9	2,222.6	-	-	-	-
Other	1,685.3	1,212.3	1,234.0	949.2	125.6	73.6	325.7	189.5
<b>Total</b>	<b>\$22,897.9</b>	<b>\$22,520.2</b>	<b>\$10,961.9</b>	<b>\$11,224.6</b>	<b>\$8,160.4</b>	<b>\$7,958.5</b>	<b>\$3,775.6</b>	<b>\$3,337.1</b>

**Note:** Percentages noted in red text represent year-over-year growth rates.

\*: Represents mortgage, associate banking, automobile finance and various other business lines.

# Balance Sheet – Loan Portfolio

<i>(\$ in millions)</i>	Amts. 2Q21	% 2Q21	Amts. 1Q21	% 1Q21	Amts. 2Q20	% 2Q20	Amts. 2Q19	% 2Q19
Residential – Spec	\$232.7	1.0%	\$230.1	1.0%	\$321.7	1.4%	\$350.4	1.9%
Residential – Custom	219.0	1.0%	210.6	0.9%	165.9	0.8%	129.5	0.7%
Residential – Condo	-	0.0%	-	0.0%	1.2	0.0%	0.7	0.0%
Commercial Construct.	1,805.0	7.9%	1,634.4	7.1%	1,623.5	7.2%	1,254.8	6.7%
Land Dev– Residential	281.3	1.2%	274.0	1.2%	272.9	1.2%	211.7	1.1%
Land Dev – Commercial	143.1	0.6%	118.5	0.5%	115.6	0.5%	113.2	0.6%
Land Dev – Mixed Use	48.4	0.2%	47.5	0.2%	13.2	0.1%	4.5	0.0%
Land – Unimproved	62.1	0.3%	53.9	0.2%	60.5	0.3%	53.2	0.3%
<b>Total Construction and Land Dev.</b>	<b>\$2,791.6</b>	<b>12.2%</b>	<b>\$2,569.0</b>	<b>11.1%</b>	<b>\$2,574.5</b>	<b>11.5%</b>	<b>\$2,118.0</b>	<b>11.3%</b>

# Balance Sheet – Loan Portfolio

(\$ in millions)	TOTAL PINNACLE		TENNESSEE LOANS		CAROLINAS/VA LOANS		ATLANTA LOANS		OTHER UNIT LOANS	
	Amts. 2Q21	Amts. 2Q20	Amts. 2Q21	Amts. 2Q20	Amts. 2Q21	Amts. 2Q20	Amts. 2Q21	Amts. 2Q20	Amts. 2Q21	Amts. 2Q20
Residential – Spec	\$232.7	\$321.7	\$155.2	\$229.8	\$76.4	\$91.5	\$0.0	\$0.0	\$1.1	\$0.4
Residential – Custom	219.0	165.9	149.5	101.7	69.2	63.6	0.0	0.0	0.3	0.6
Residential – Condo	0.0	1.2	0.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0
Commercial Construct.	1,805.0	1,623.5	908.3	757.0	875.7	863.9	13.5	0.0	7.5	2.6
Land Dev– Residential	281.3	272.9	193.3	164.1	68.4	93.1	1.4	0.5	18.2	15.2
Land Dev – Commercial	143.1	115.6	89.9	72.4	50.1	42.6	2.5	0.0	0.6	0.6
Land Dev – Mixed Use	48.4	13.2	7.4	3.2	41.0	10.0	0.0	0.0	0.0	0.0
Land – Unimproved	62.1	60.5	45.4	45.2	13.9	13.8	1.7	0.0	1.1	1.5
<b>Total Construction and Land Dev.</b>	<b>\$2,791.6</b>	<b>\$2,574.5</b>	<b>\$1,549.0</b>	<b>\$1,374.6</b>	<b>\$1,194.7</b>	<b>\$1,178.5</b>	<b>\$19.1</b>	<b>\$0.5</b>	<b>\$28.8</b>	<b>\$20.9</b>
<b>Average Ticket Size (in '000s)</b>	<b>\$638.8</b>	<b>\$627.0</b>	<b>\$651.1</b>	<b>\$632.3</b>	<b>\$620.9</b>	<b>\$632.6</b>	<b>\$1,467.6</b>	<b>\$545.7</b>	<b>\$533.6</b>	<b>\$305.4</b>

# Balance Sheet – Loan Portfolio

(\$ in millions)	Total NOO and Multifamily			Total Construction			Total NOO and Construction		
	Amts. 2Q21	Amts. 1Q21	Amts. 2Q20	Amts. 2Q21	Amts. 1Q21	Amts. 2Q20	Amts. 2Q21	Amts. 1Q21	Amts. 2Q20
Multifamily	\$713.5	\$785.9	\$590.4	\$696.8	\$602.1	\$548.4	\$1,410.3	\$1,388.0	\$1,138.8
Hospitality	850.9	854.2	730.3	89.5	88.0	113.0	940.4	942.2	843.3
Retail	1,235.3	1,237.2	1,325.8	142.3	145.3	180.3	1,377.6	1,382.5	1,506.1
Office	883.6	880.0	806.5	173.2	185.0	166.8	1,056.8	1,065.0	973.3
Warehouse	692.2	746.5	922.7	275.0	205.7	287.9	967.2	952.2	1,210.6
Medical	474.1	514.3	482.5	90.9	84.9	122.9	565.0	599.2	605.4
Other	519.2	555.1	525.8	1,323.9	1,258.0	1,155.2	1,843.1	1,813.1	1,681.0
<b>Total</b>	<b>\$5,368.8</b>	<b>\$5,573.2</b>	<b>\$5,384.0</b>	<b>\$2,791.6</b>	<b>\$2,569.0</b>	<b>\$2,574.5</b>	<b>\$8,160.4</b>	<b>\$8,142.2</b>	<b>\$7,958.5</b>
<b>Average Ticket Size (in '000s)</b>									
	\$1,955.8	\$1,994.6	\$1,907.7	\$638.8	\$607.6	\$627.0	\$1,147.8	\$1,159.9	\$1,149.4

# PPP Program is a Differentiator for Pinnacle

Pinnacle provided needed stimulus to smaller businesses in 2021

- Approximately \$934 mm in fundings in 2021. Over 24,000 applications and \$3.4B in funding as of June 30, 2021
- Unamortized fees of \$47.7 mm at June 30, 2021 to be recognized as loans are paid down or forgiven
- Avg PPP loan amount in 2021 approximates \$105k compared to \$157k for the 2020 PPP loans
  - *Avg. fee for 2021 PPP loans approximates 4.9% compared to 3.1% for the 2020 PPP loans*

PPP Trends \$(000's)	Average Balances	Aggregate Yield	Interest Income	Accretion Income	Total Revenues
2Q20	\$ 1,689,033	2.89%	\$ 4,673	\$ 7,449	\$ 12,122
3Q20	\$ 2,235,277	2.77%	\$ 5,795	\$ 9,760	\$ 15,555
4Q20	\$ 2,111,282	4.64%	\$5,223	\$ 19,421	\$ 24,644
1Q21	\$ 2,064,882	4.51%	\$5,167	\$ 17,788	\$ 22,955
2Q21	\$ 1,929,363	5.47%	\$4,987	\$ 21,318	\$ 26,305

(\$000's)	2020 PPP	2021 PPP	Totals
Total PPP fundings through June 30, 2021	\$ 2,483,177	\$ 933,872	\$ 3,417,049
Total forgiveness, payoffs processed through June 30, 2021	1,949,912	46,540	1,996,451
Net PPP Balances at June 30, 2021	533,265	887,333	1,420,598
Total fees for PPP fundings	\$ 77,431	\$ 46,021	\$ 123,452
Fee income recognized through June 30, 2021	69,779	5,992	75,771
Fees unrecognized	7,652	40,029	47,681
Total interest income recognized in 2021	\$ 7,057	\$ 3,097	\$ 10,154
Total fee income recognized in 2021	33,113	5,992	39,105
Total revenues from PPP in 2021	40,170	9,089	49,259

# Asset Quality Has Continued to Hold Up

COVID-impacted categories continue to outperform initial expectations

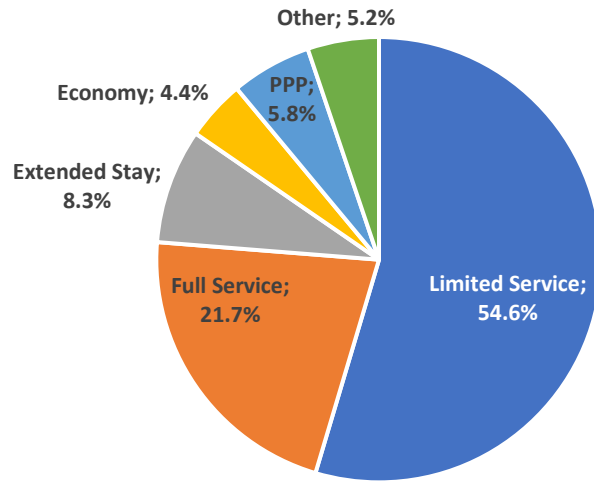


	Outstanding Balances		% Nonperforming Loans		% Classified Loans		% Past Due > 30 days	
	2Q21	1Q21	2Q21	1Q21	2Q21	1Q21	2Q21	1Q21
<b>Hotels</b>								
NOO CRE & Construction	\$985,616	\$987,773	0.00%	0.00%	0.45%	0.68%	-	-
Paycheck Protection Program	61,216	65,742						
<b>Retail</b>								
C&I, OO CRE & Other	\$1,086,935	\$1,001,187	0.05%	0.06%	2.42%	3.08%	0.21%	0.24%
NOO CRE & Construction	1,280,973	1,297,432	0.02%	0.03%	0.52%	0.53%	0.04%	0.42%
Paycheck Protection Program	79,728	164,840						
<b>Restaurants</b>								
C&I, OO CRE & Other	\$361,662	\$358,087	0.09%	0.41%	3.86%	4.31%	0.09%	0.24%
NOO CRE & Construction	156,481	153,014	0.18%	0.24%	2.19%	2.24%	0.18%	0.05%
Paycheck Protection Program	242,629	285,017						
<b>Entertainment</b>								
C&I, OO CRE & Other	\$929,462	\$851,180	0.11%	0.12%	0.12%	0.13%	0.03%	0.05%
NOO CRE & Construction	15,176	44,960	-	-	-	-	-	-
Paycheck Protection Program	51,735	65,045						
<b>Total COVID Segments</b>	<b>\$5,251,613</b>	<b>\$5,274,277</b>	<b>0.05%</b>	<b>0.10%</b>	<b>1.28%</b>	<b>1.55%</b>	<b>0.08%</b>	<b>0.13%</b>

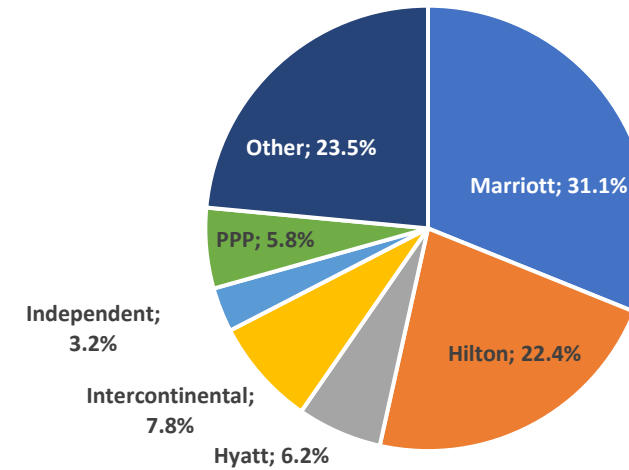
# Hotel Portfolio

Amounts as of 6.30.21

## Hotel Property Types

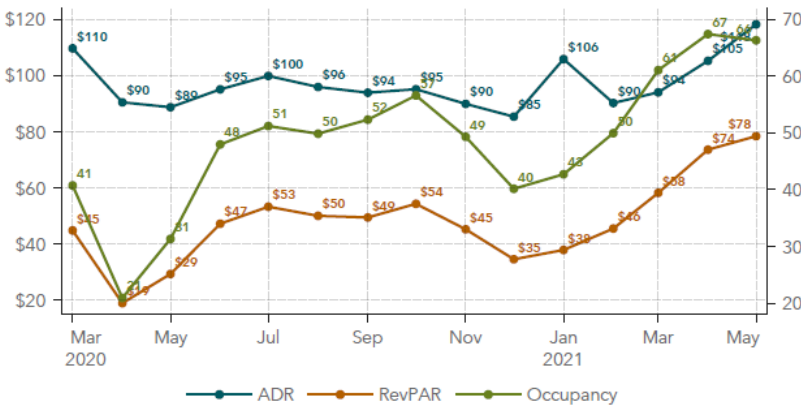


## Hotel Flags

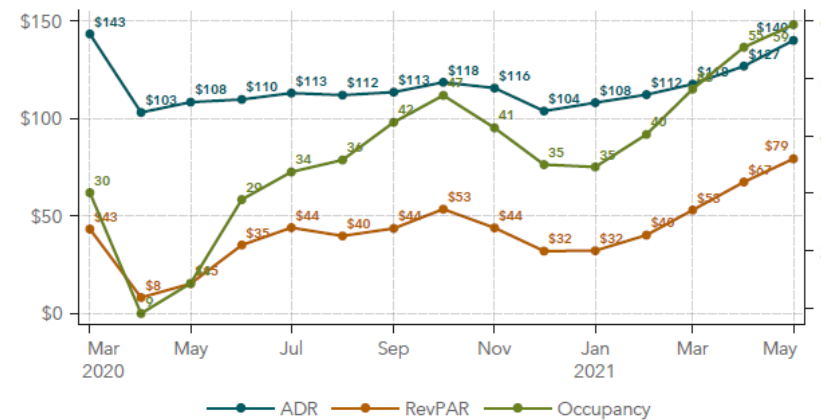


## ADR, RevPAR & Occupancy Trendlines

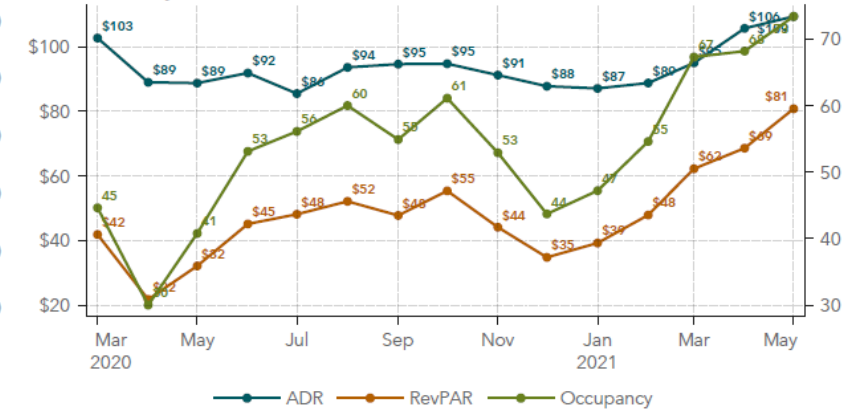
Limited Service



Full Service



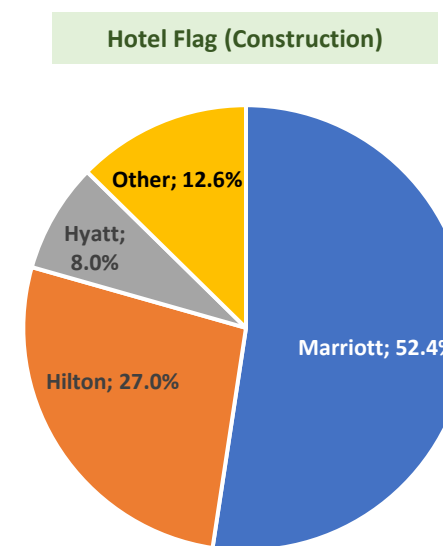
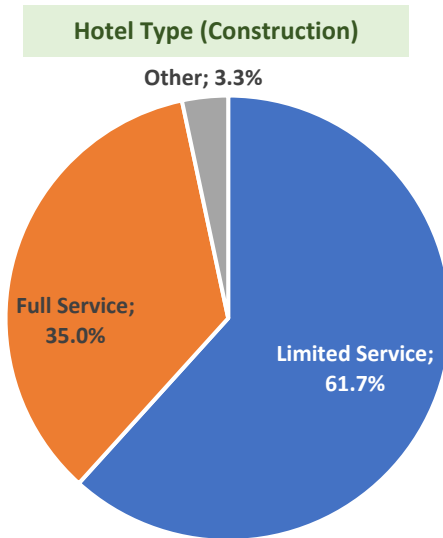
Extended Stay



# Hotel Portfolio

Amounts as of 6.30.21

## Hotel Construction Type, Delivery Dates, Volumes



Top 10 Hotel Borrowers	10 Largest Hotel Loans Location	Exposure at 6.30.21 ('000s)	Loan Type	Flag	Hotel Property Type	CARES Act Section 4013 Modification
	LITTLE ROCK, AR	\$32,894	Term	Marriott	Full Service	Yes
	NASHVILLE, TN	31,161	Construction	Marriott	Limited Service	No
	NASHVILLE, TN	28,890	Term	Marriott	Limited Service	Yes
	ATLANTA, GA	26,203	Term	Marriott	Limited Service	No
	ALPHARETTA, GA	25,263	Construction	Hilton	Full Service	No
	NASHVILLE, TN	25,000	Term	Intercontinental	Full Service	Yes
	FRANKLIN, TN	24,661	Term	Hilton	Full Service	Yes
	WALLAND, TN	23,875	Term	Independent	Resort/ Conference Center	No
	CHATTANOOGA, TN	17,555	Term	Marriott	Full Service	No
FRANKLIN, TN	15,694	Term	Hilton	Limited Service	Yes	
		<b>\$251,196</b>	<b>24.0% of hotel loans</b>			

### PNFP Hotel Property Type Descriptions are as follows:

**Economy** – The economy sector often is used to categorize the smaller, older, low-rise buildings. Characteristics include limited to no service and some may even have exterior room access. An economy hotel is for the budget minded traveler and examples of flags include; Motel 6, Americas Best Value Inn, La Quinta, Comfort Inn, Baymont Inn, Red Roof Inn, Super 8, Fairfield Inn, or perhaps an independent roadside property.

**Limited Service** – This sector is also known as select service and may offer limited food & beverage options. These properties often include amenities such as a business center, fitness room, and pool, and are represented by brands like Hilton Garden Inn, Tru by Hilton, Courtyard by Marriott and Hyatt Place.

**Extended Stay** - Extended Stay hotels include provisions for cooking within individual rooms or suites, and the average stay is often a week or more.

**Full Service** - Full service hotels are generally mid-price, upscale or luxury hotels with a restaurant, lounge facilities, and meeting space as well as minimum service levels often including bell service and room service.

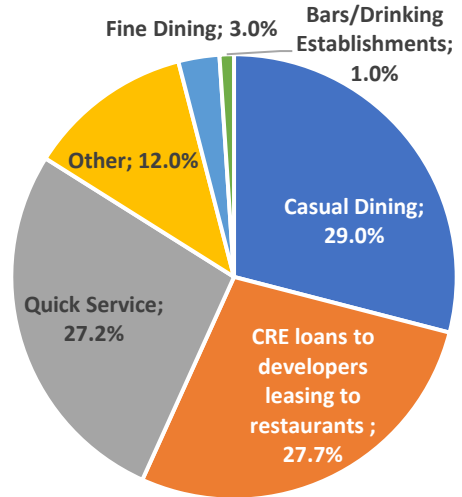
**Other** – Property types not included in the above type descriptions including resort/conference center hotels, Airbnb and bed and breakfast hotel types.



# Restaurant Portfolio

Amounts as of 6.30.21

## Restaurants by Type



**PNFP Restaurant Property Type Descriptions are as follows:**

- Casual Dining** – Target market could be the traveling public with in-store dining and wait staff. Limited bar service.
- Fine Dining** – Target market are those customers looking for a complete dining experience. Full bar and wine service.
- Quick Service** – Most likely a drive through facility with counter ordering. No wait staff and/or very limited alcoholic beverage service.
- CRE Loans** – PNFP has provided funding to developer or restaurant owner who leases facility to their restaurant entity which could be an independent operator or a franchise.
- Other** – Other properties include bars, caterers, etc.

## C&I and Owner-Occupied CRE Restaurant Borrowers with Exposure Greater than \$10mm

Location	Exposure at 6.30.21 ('000s)	LTV at 6.30.21	Food Service Type	CARES Act Section 4013 Modification
Nashville, TN	\$38,917	34%	Fine Dining	No
Morristown, TN	25,526	FF&E	Quick Service	No
Lebanon, TN	22,289	Stock of Subs	Casual Dining	No
Dallas, TX	14,794	43%	Fine Dining	No
Nashville, TN	13,138	68%	Quick Service	No
Atlanta, GA	10,754	30.9%	Quick Service	No
Dallas, TX	10,500	69%	Quick Service	No
<b>\$135,918</b>		<b>31.0% of C&amp;I and OO CRE Restaurant portfolio</b>		

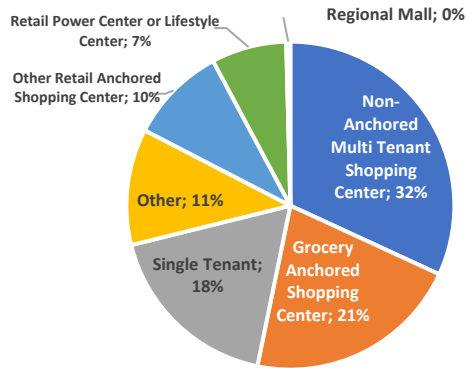
## Top 10 Non Owner-Occupied CRE Restaurant Borrowers

Location	Exposure At 6.30.21 ('000s)	Franchise Name	CARES Act Section 4013 Modification
Nashville, TN	\$7,413	Local/Independent	No
Various NC-SC-GA	4,868	Bojangles	No
Various VA-NC	4,805	Red Lobster/ Starbucks	No
Clemmons, NC	4,515	Bojangles & IHOP	No
Statesville, NC	4,203	Cici's Pizza	Yes
Nashville, TN	3,774	Local/Independent	No
Various NC-SC	3,632	Bojangles	No
Various NC, SC, OH	3,555	Local/Independent	No
Columbia, SC	3,363	Local/Independent	No
Paris, TX	3,250	Local/Independent	No
<b>\$43,378</b>		<b>29.4% of NOO CRE Restaurant portfolio</b>	

# Retail Portfolio

Amounts as of 6.30.21

CRE- NOO by Tenant Type



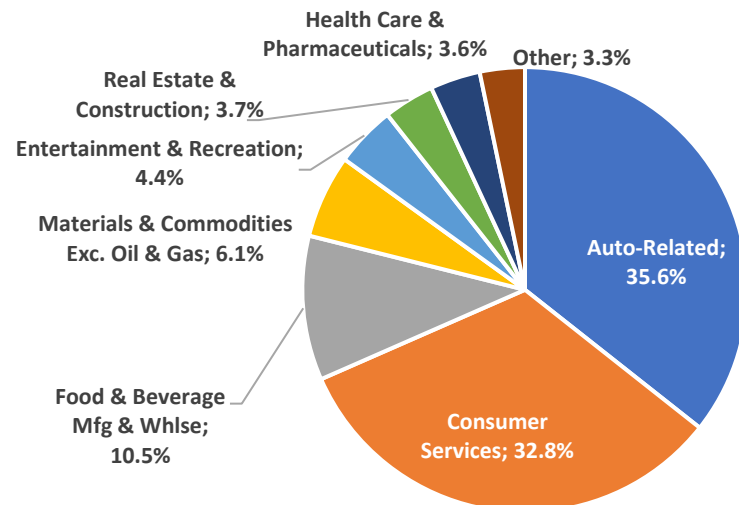
Top 10 Retail NOO CRE

10 Largest Retail Relationships	Exposure at 6.30.21 ('000s)	Loan Type	Tenant Type	CARES Act Section 4013 Modification
NASHVILLE, TN	\$54,950	Term	Grocery Anchored Shopping Center	No
NEW BERN, NC	34,088	Term	Retail Power Center or Lifestyle Center	No
DELRAY BEACH, FL	25,500	Term	Grocery Anchored Shopping Center	Yes
Multi-location	25,418	Term	Single Tenant	No
GREENSBORO, NC	24,027	Term	Grocery Anchored Shopping Center	No
OLAR, SC	21,306	Term	Retail Power Center or Lifestyle Center	No
Oxford, MS	18,919	Term	Single Tenant/ Retail Power Center or Lifestyle Center	No
NASHVILLE, TN	18,780	Term	Non-Anchored Multi Tenant Shopping Center	No
Fort Mill, SC	15,938	Term	Non-Anchored Multi Tenant Shopping Center	No
Summerville, SC	15,831	Term	Single Tenant	Yes
	\$254,757		21.2% of CRE-NOO Retail Portfolio	

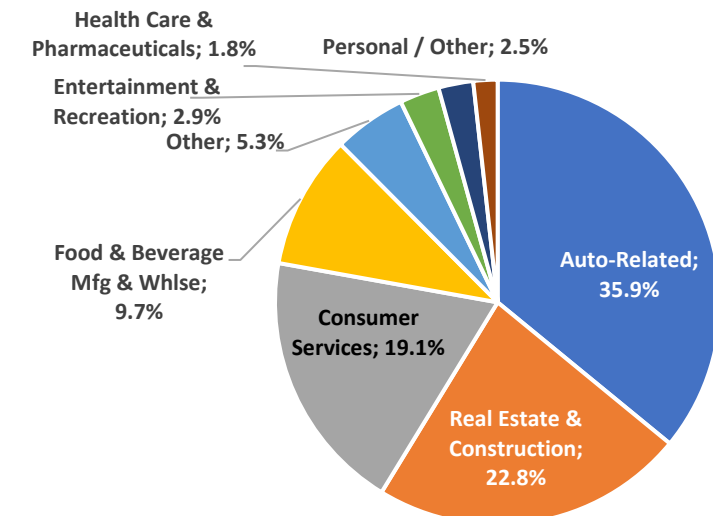
Tenant Type Descriptions are as follows:

- Grocery Anchored Shopping Center** is otherwise known as the "Neighborhood Center", this is a convenience oriented center and usually services a 3-mile radius. The grocery anchored encompasses 30-50% of the GLA, and the typical number of tenants range from 5-20 stores.
- Other Retail Anchored Shopping Center** this is a larger center that services the local area, however offers a wider range of apparel, merchandise, more soft goods and convenience-service oriented stores than neighbor centers. Several tenants maybe considered anchors and the typical number of stores range from 15-40.
- Non-Anchored, Multi-Tenant Shopping Center** also considered a convenience center, is among the smallest of centers, whose tenants provide a narrow mix of goods and personal services to a very limited trade area.
- Regional Mall** consists of general merchandise or fashion-oriented offerings. Typically, enclosed with inward-facing stores and parking surrounds the outside perimeter.
- Retail Power Center or Lifestyle Center** – A power center is comprised of category-dominant anchors over 60% of the GLA. There are usually 3-5+ anchor tenants, and services a wider trade area. A Lifestyle center is an upscale dining, shopping, and entertainment venue in an outdoor setting.
- Single Tenant** property is fully occupied by a single user and often feature a NNN lease structure.

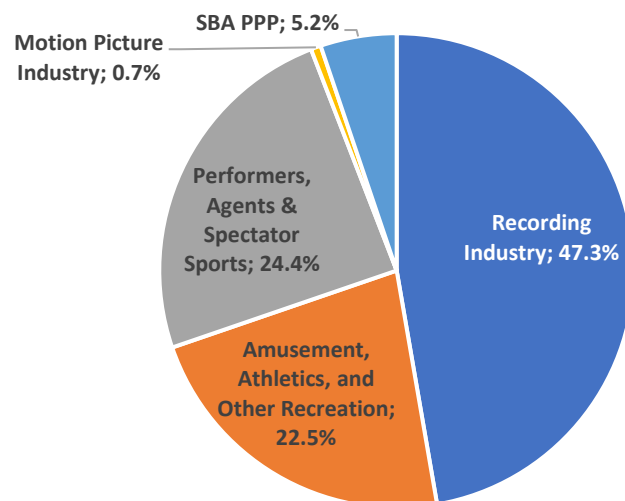
Retail C&I Portfolio Highlights:



Retail CRE O/O Portfolio Highlights:



## Entertainment by Type



10 Largest Entertainment Relationships ('000)	Exposure at 6.30.21 ('000s)	Loan Type	Entertainment Type	CARES Act Section 4013 Modification
United Kingdom	\$50,000	C&I	Recording Industry	No
Houston, TX	50,000	C&I	Performers, Agents & Spectator Sports	No
New York, NY	49,232	C&I	Recording Industry	No
New York, NY	46,925	C&I	Performers, Agents & Spectator Sports	No
Needham Heights, MA	44,350	C&I	Recording Industry	No
New York, NY	43,444	C&I	Recording Industry	No
Wayland, MA	39,400	C&I	Recording Industry	No
New York, NY	35,179	C&I	Recording Industry	No
New York, NY	35,000	C&I	Recording Industry	No
Memphis, TN	33,860	C&I	Recreation	Yes
	<b>\$427,390</b>		<b>37.6% of Entertainment Portfolio</b>	

# Balance Sheet – Loan Portfolio Lines of Credit

<i>(\$'s in millions)</i>	12/31/2019	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021	Linked Qtr. Change
<b>CRE – Investment &amp; Construction</b>								
Net Active Balance	\$3,870.10	\$3,929.10	\$4,090.80	\$4,067.10	\$4,106.82	\$4,051.74	\$3,921.54	-\$130.20
Net Available Credit	3,002.60	3,018.50	3,029.60	3,060.30	3,191.47	3,463.31	3,841.69	378.38
Total Exposure	6,872.90	6,947.60	7,120.30	7,127.50	7,298.29	7,515.06	7,763.24	248.18
% Funded	56.3%	56.6%	57.5%	57.1%	56.3%	53.9%	50.5%	-3.4%
<b>C&amp;I and O/O CRE</b>								
Net Active Balance	\$3,911.20	\$4,214.00	\$3,702.60	\$3,630.10	\$3,367.16	\$3,428.60	\$3,658.73	\$230.13
Net Available Credit	3,694.00	3,693.70	4,312.10	4,734.50	4,674.90	5,036.06	5,054.44	18.38
Total Exposure	7,605.10	7,907.60	8,014.70	8,364.60	8,042.06	8,464.67	8,713.17	248.50
% Funded	51.4%	53.3%	46.2%	43.4%	41.9%	40.5%	42.0%	1.5%
<b>Consumer</b>								
Net Active Balance	\$1,340.00	\$1,364.20	\$1,333.30	\$1,302.20	\$1,571.21	\$1,511.32	\$1,597.98	\$86.66
Net Available Credit	1,445.30	1,477.40	1,534.10	1,583.20	1,826.24	1,922.71	1,994.21	71.50
Total Exposure	2,785.20	2,841.40	2,867.60	2,885.60	3,397.45	3,434.03	3,592.19	158.16
% Funded	48.1%	48.0%	46.5%	45.1%	46.2%	44.0%	44.5%	0.5%
<b>Totals</b>								
Net Active Balance	\$9,121.30	\$9,507.30	\$9,126.70	\$8,999.40	\$9,045.19	\$8,991.67	\$9,178.25	\$186.58
Net Available Credit	8,141.90	8,189.60	8,875.80	9,378.00	9,692.61	10,422.08	10,890.34	468.26
Total Exposure	17,263.20	17,696.60	18,002.60	18,377.70	18,737.80	19,413.75	20,068.59	654.84
% Funded	52.8%	53.7%	50.7%	49.0%	48.3%	46.3%	45.7%	-0.6%

# Current Expected Credit Losses

Total Allowance for Credit Losses for loans = \$273.7 mm or 1.20% of loans at June 30, 2021, or 1.27% excluding PPP loans

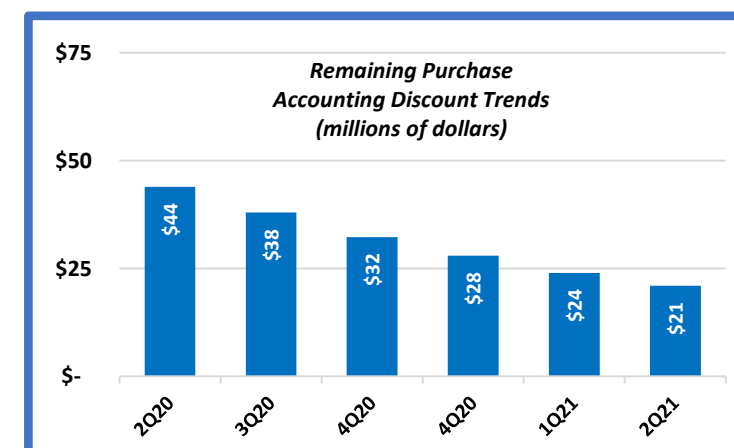
	Allowance for Credit Losses	% of Loans	Off-Balance Sheet	Total
<b>At December 31, 2020</b>	<b>\$285,050</b>	<b>1.27% <sup>(1)</sup></b>	<b>\$23,219</b>	<b>\$308,269</b>
Net Charge Offs	(\$11,397)	0.20% <sup>(2)</sup>		(\$11,397)
1Q Provision	\$7,228		=	\$7,228
<b>At March 31, 2021</b>	<b>\$280,881</b>	<b>1.22% <sup>(1)</sup></b>	<b>\$23,219</b>	<b>\$304,100</b>
Net Charge Offs	(\$9,968)	0.17% <sup>(2)</sup>		(\$9,968)
2Q Provision	\$2,834		=	\$2,834
<b>At June 30, 2021</b>	<b>\$273,747</b>	<b>1.20% <sup>(1)</sup></b>	<b>\$23,219</b>	<b>\$296,966</b>
<b>At June 30, 2021 Excluding PPP Loans <sup>(3)</sup></b>		<b>1.27% <sup>(1)(3)</sup></b>		

- (1) Calculation based on end of period loan balance
- (2) Net charge-off percentage calculation is annualized and in relation to avg. quarterly loan balances
- (3) For a reconciliation of this Non-GAAP financial measures to the comparable GAAP measures, see slide 63-64.

- **3<sup>rd</sup> party economic forecast model provides significant inputs into ACL calculation**
- **Unemployment and GDP are primary economic forecast metrics**
- **Weighted average of Baseline (50%), Optimistic (30%) and Pessimistic (20%) scenarios used in 2Q 2021**

Forecasted economic metrics <sup>(1)</sup>				
Base Case Outlook at:	3Q21	4Q21	1Q22	2Q22
<b>US Unemployment Rates</b>				
1Q21	5.22%	4.86%	4.48%	4.14%
2Q21	5.08%	4.54%	4.15%	3.78%
<b>US Real GDP Change</b>				
1Q21	4.63%	5.89%	6.92%	7.68%
2Q21	6.50%	8.55%	9.48%	10.12%

(1) Weighted metrics are used in PNFP CECL assessment. Unemployment rates are quarterly averages. US Real GDP rates are change in quarterly GDP from 4Q20.



Note: Above amounts not included in ACL balances above

# Current Expected Credit Losses

Allowance for Credit Losses	June 30, 2020 CECL		September 30, 2020 CECL		December 31, 2020 CECL		March 31, 2021 CECL		June 30, 2021 CECL	
	Amount	% of Loans	Amount	% of Loans	Amount	% of Loans	Amount	% of Loans	Amount	% of Loans
Commercial and Industrial	\$ 100,610	1.60% *	\$ 102,208	1.66% *	\$ 98,423	1.58% *	\$ 101,076	1.59% *	\$102,101	1.51%*
Commercial Real Estate	107,229	1.33%	106,285	1.33%	102,430	1.28%	102,584	1.22%	98,392	1.20%
Construction and Land Development	41,897	1.63%	41,222	1.51%	42,408	1.46%	37,642	1.47%	33,487	1.20%
Consumer Real Estate	29,358	0.96%	31,949	1.05%	33,304	1.07%	30,199	0.98%	30,445	0.91%
Consumer and Other	6,278	2.13%	6,981	2.03%	8,485	2.24%	9,380	2.28%	9,322	2.12%
Allowance for Loan Losses	\$ 285,372	1.41% *	\$ 288,645	1.43% *	\$ 285,050	1.38% *	\$ 280,881	1.35% *	\$ 273,747	1.27%*
Reserve for unfunded commitments	20,794		21,219		23,219		23,219		23,219	
<b>Allowance for Credit Losses - Total</b>	<b>\$ 306,166</b>		<b>\$ 309,864</b>		<b>\$ 308,269</b>		<b>\$ 304,100</b>		<b>\$296,966</b>	

\*: Reserve percentages for C&I and total loans exclude SBA PPP loans.

For a reconciliation of this Non-GAAP financial measures to the comparable GAAP measures, see slide 63-64.

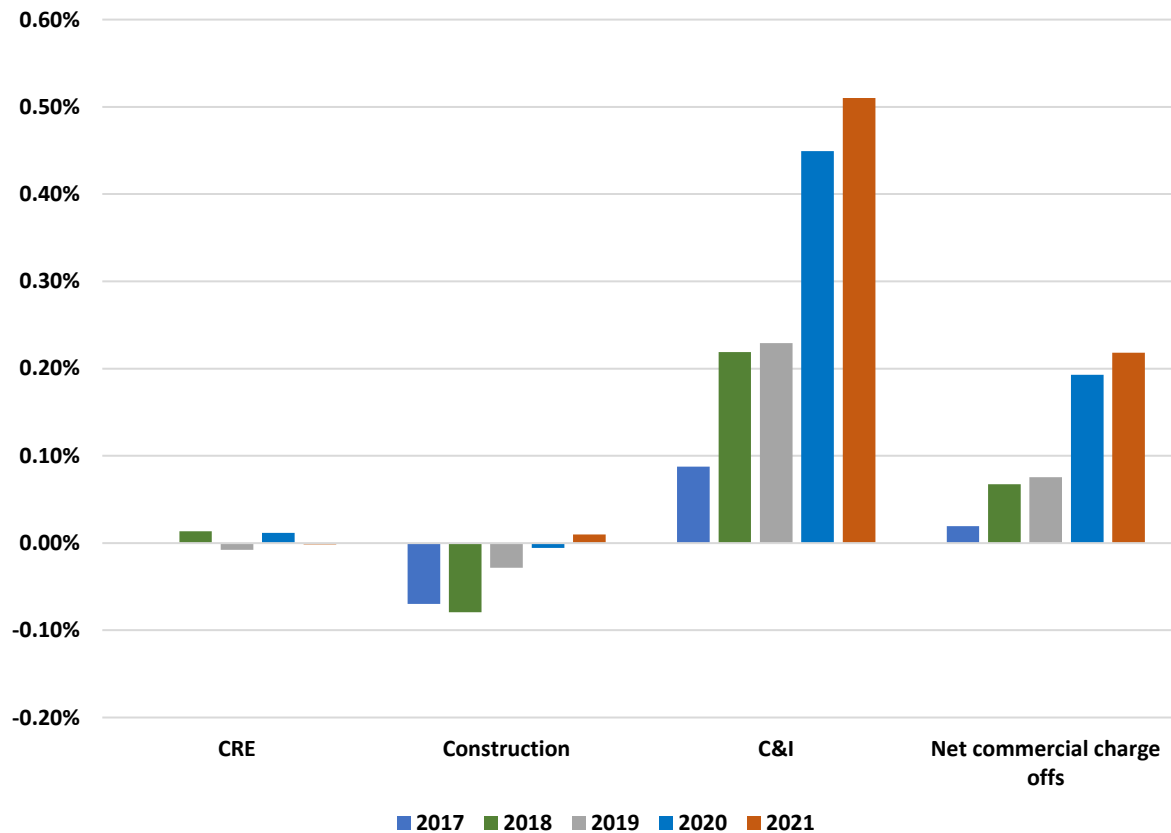
# Asset Quality

(\$ in millions)	June 30, 2021	AS A % OF TOTAL LOANS	March 31, 2021	AS A % OF TOTAL LOANS	June 30, 2020	AS A % OF TOTAL LOANS
<b>NPLs and &gt; 90 days</b>						
Const. and land development	\$1,082	0.00%	\$1,558	0.01%	\$3,230	0.01%
Consumer RE	17,472	0.08%	19,778	0.09%	23,255	0.10%
CRE – Owner Occupied	2,503	0.01%	13,024	0.06%	11,806	0.05%
CRE – Non-Owner Occupied	2,711	0.01%	3,458	0.01%	10,454	0.05%
<b>Total real estate</b>	<b>\$23,768</b>	<b>0.10%</b>	<b>\$37,818</b>	<b>0.16%</b>	<b>\$48,745</b>	<b>0.22%</b>
C&I	30,834	0.13%	36,780	0.16%	15,239	0.07%
Other	313	0.00%	370	0.00%	560	0.00%
<b>Total loans</b>	<b>\$54,915</b>	<b>0.24%</b>	<b>\$74,968</b>	<b>0.32%</b>	<b>\$64,544</b>	<b>0.29%</b>
<b>Classified loans and ORE</b>						
Substandard commercial loans	\$202,917	0.89%	\$210,620	0.91%	\$288,906	1.28%
Doubtful commercial loans	-	0.00%	-	0.00%	-	0.00%
Other impaired loans	19,459	0.08%	22,343	0.10%	25,694	0.11%
90 days past due and accruing (*)	1,810	0.01%	1,333	0.01%	1,682	0.01%
Other real estate	9,602	0.04%	10,651	0.05%	22,080	0.10%
Other repossessed assets	-	0.00%	-	0.00%	25	0.00%
<b>Total</b>	<b>\$233,788</b>	<b>1.02%</b>	<b>\$244,947</b>	<b>1.06%</b>	<b>\$338,387</b>	<b>1.50%</b>
<i>Pinnacle Bank classified asset ratio</i>	<b>6.8%</b>		<b>7.3%</b>		<b>11.2%</b>	

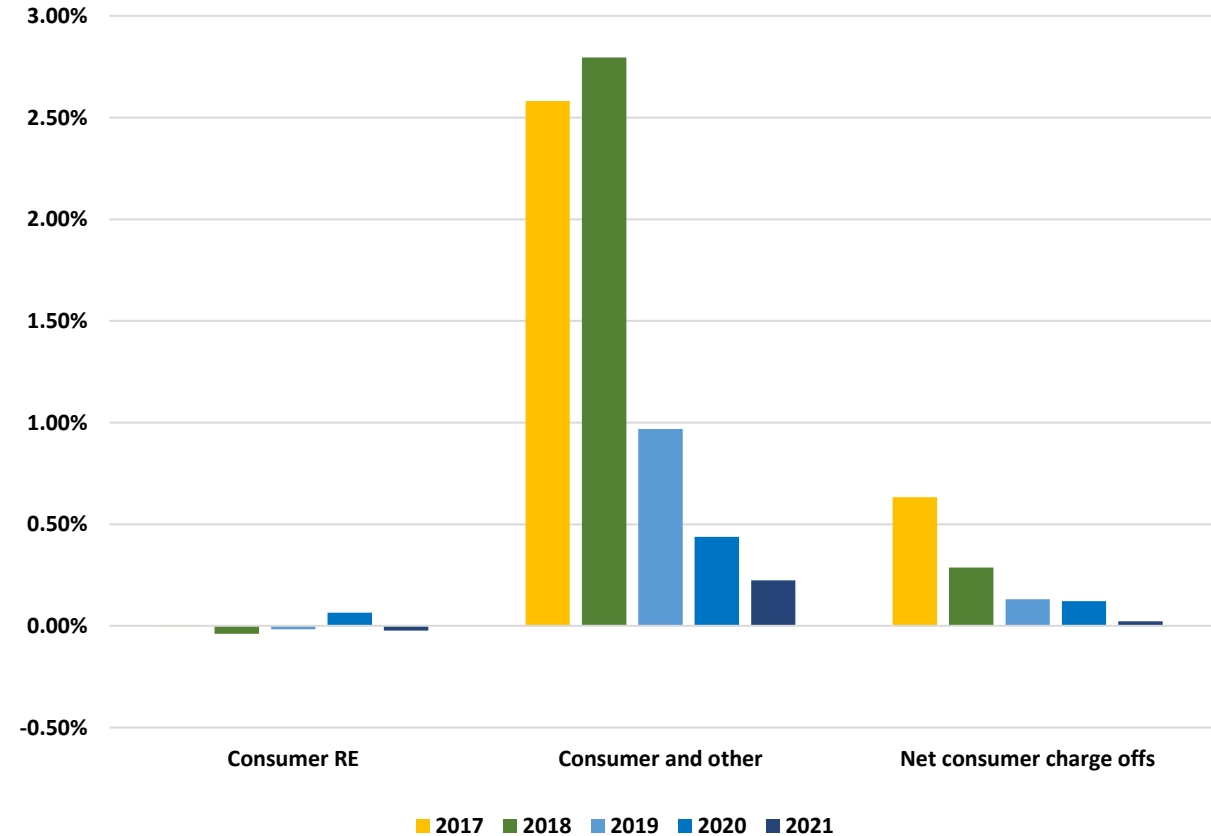
(\*) Excludes past due loans rated substandard

# Balance Sheet – Loan Portfolio

### Net Commercial Loan Charge Offs by Loan Type



### Net Consumer Loan Charge Offs by Loan Type





# Balance Sheet – Loan Portfolio

Description	(\$ in thousands)					
	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
Loans secured by real estate:						
Construction, land development, and other loans:						
1-4 family residential construction loans	\$556,052	\$548,614	\$514,819	\$527,743	\$580,193	\$582,106
Other construction loans and all land development and other land loans	2,235,559	2,020,355	2,386,927	2,200,696	1,994,301	1,938,831
<b>Loans included in the 100% test</b>	<b>\$2,791,611</b>	<b>\$2,568,969</b>	<b>\$2,901,746</b>	<b>\$2,728,439</b>	<b>\$2,574,494</b>	<b>\$2,520,937</b>
Secured by multifamily (5 or more) residential properties	\$739,788	\$798,120	\$663,664	\$578,948	\$574,328	\$551,963
Loans secured by other nonfarm nonresidential properties	4,644,551	4,782,712	4,565,040	4,648,457	4,822,537	4,520,234
Financed real estate not secured by real estate	490,637	510,756	475,339	503,081	493,494	309,990
<b>Loans included in the 300% test</b>	<b>\$8,666,587</b>	<b>\$8,660,556</b>	<b>\$8,605,789</b>	<b>\$8,458,925</b>	<b>\$8,464,853</b>	<b>\$7,903,124</b>
<b>Total Risk-Based Capital</b>	<b>\$3,483,255</b>	<b>\$3,382,393</b>	<b>\$3,259,538</b>	<b>\$3,146,468</b>	<b>\$3,078,671</b>	<b>\$2,993,005</b>
<i>% of Total Risk-Based Capital</i>						
<b>100% Test – Construction and Land Development</b>	<b>80.1%</b>	<b>76.0%</b>	<b>89%</b>	<b>87%</b>	<b>84%</b>	<b>84%</b>
<b>300% Test – Construction and Land Development + NOOCRE + Multifamily</b>	<b>248.8%</b>	<b>256.0%</b>	<b>264%</b>	<b>269%</b>	<b>275%</b>	<b>264%</b>

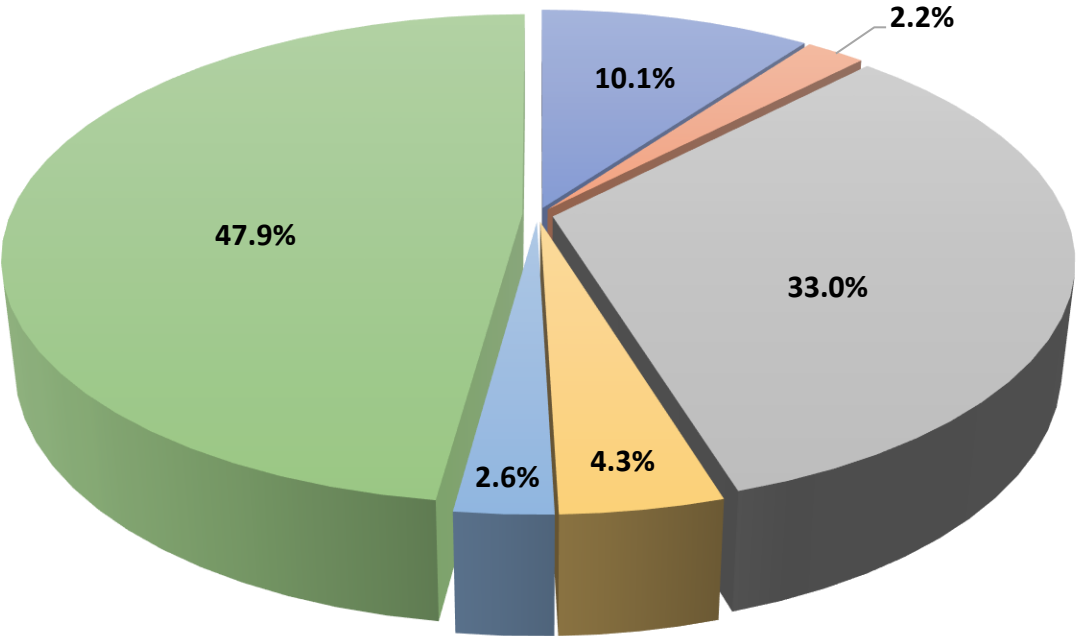
# Balance Sheet – Deposit Portfolio

(\$ in millions)	TOTAL DEPOSITS		CORE DEPOSITS				NONCORE DEPOSITS	
	TOTAL PINNACLE		TRANSACTION AND MMDA		CDs		PUBLIC FUNDS and OTHER DEPOSITS	
	2Q21	2Q20	2Q21	2Q20	2Q21	2Q20	2Q21	2Q20
Nashville	\$11,648.9	\$9,319.6	\$11,028.6	\$8,515.1	\$425.1	\$529.2	\$195.2	\$275.3
Knoxville	2,415.2	2,134.9	2,295.3	1,970.6	81.2	115.4	38.7	48.9
Music and Entertainment	379.5	302.5	373.5	294.1	1.7	1.9	4.3	6.5
Memphis	1,699.0	1,225.5	1,455.6	1,013.9	136.8	147.1	106.6	64.5
Chattanooga	1,659.3	1,455.1	1,562.6	1,338.3	38.4	60.2	58.3	56.6
<b>Total Tennessee</b>	<b>\$17,801.9</b>	<b>\$14,437.6</b>	<b>\$16,715.6</b>	<b>\$13,132.0</b>	<b>\$683.2</b>	<b>\$853.8</b>	<b>\$403.1</b>	<b>\$451.8</b>
Greensboro/Highpoint	2,626.1	2,334.9	2,252.8	1,880.6	239.8	287.3	133.5	167.0
Charlotte	1,775.7	1,489.8	1,552.7	1,214.9	147.0	180.5	76.0	94.4
Charleston	1,275.7	1,037.2	1,152.5	858.7	100.6	145.7	22.6	32.8
Raleigh	913.0	746.1	861.0	674.6	40.1	50.8	11.9	20.7
Roanoke	802.3	764.3	706.7	621.0	79.7	119.9	15.9	23.4
Greenville	412.3	367.2	336.8	251.5	57.9	79.2	17.6	36.5
<b>Total Carolinas / VA</b>	<b>\$7,805.1</b>	<b>\$6,739.5</b>	<b>\$6,862.5</b>	<b>\$5,501.3</b>	<b>\$665.1</b>	<b>\$863.4</b>	<b>\$277.5</b>	<b>\$374.8</b>
Atlanta	126.2	29.0	126.2	29.0	-	-	-	-
Other	2,484.4	4,315.7	794.8	978.9	10.2	33.4	1,679.4	3,303.4
<b>Total</b>	<b>\$28,217.6</b>	<b>\$25,521.8</b>	<b>\$24,499.1</b>	<b>\$19,641.2</b>	<b>\$1,358.5</b>	<b>\$1,750.6</b>	<b>\$2,360.0</b>	<b>\$4,130.0</b>

**Note:** Percentages noted in red text represent year-over-year growth rates.

# Balance Sheet – Bond Portfolio

## Conservative bond portfolio



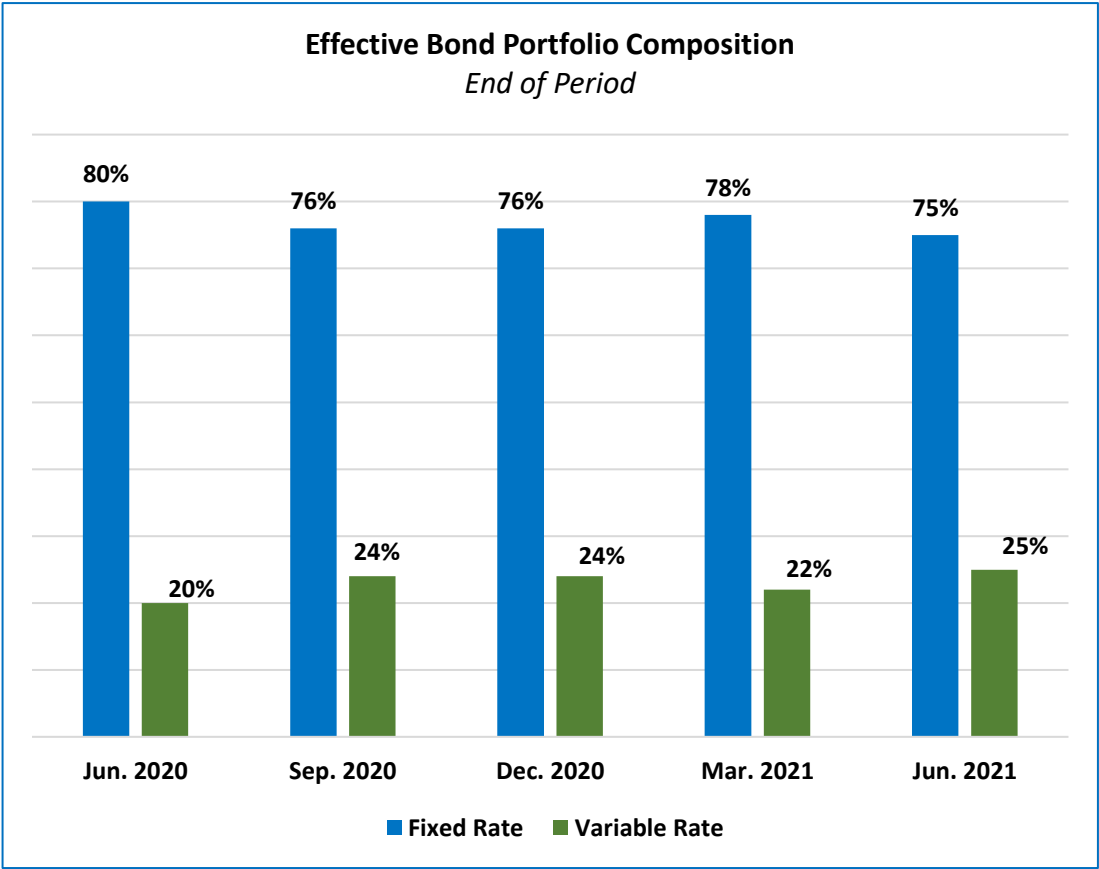
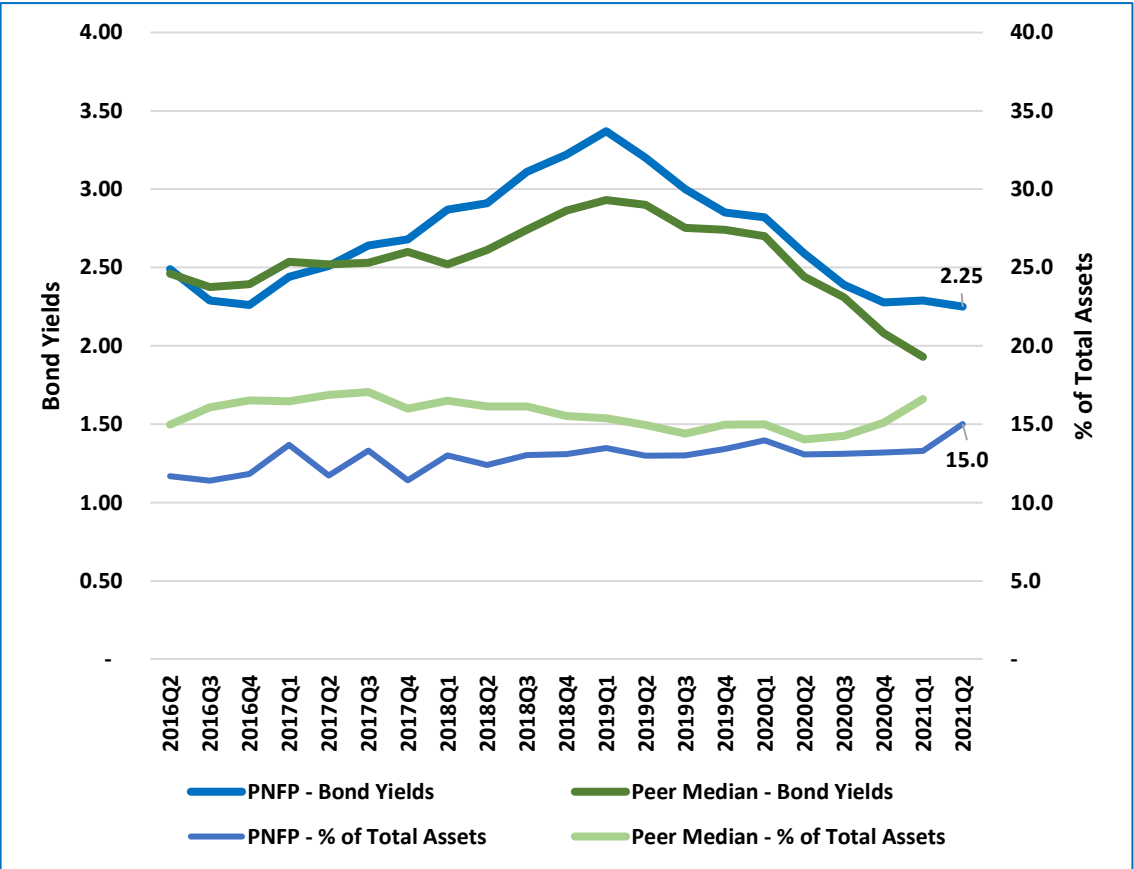
■ Agency/Treasury 
 ■ Corporates 
 ■ MBS 
 ■ Asset Backed 
 ■ CMOs 
 ■ Municipals

Portfolio: June 30, 2021	
Total Investments	\$5.3 billion
Net Unrealized Gain	\$110.0 million

Quarter	Duration	Avg. Yield- TE
2Q21	4.3%	2.3%
1Q21	4.8%	2.3%
4Q20	4.4%	2.3%
3Q20	4.7%	2.4%
2Q20	4.6%	2.6%
1Q20	4.3%	2.8%
4Q19	4.8%	2.9%
3Q19	4.4%	3.0%
2Q19	4.1%	3.2%
1Q19	3.7%	3.4%
4Q18	3.6%	3.2%
3Q18	4.4%	3.1%

- Investments to Total Assets of 15.0%

# Balance Sheet – Bond Portfolio

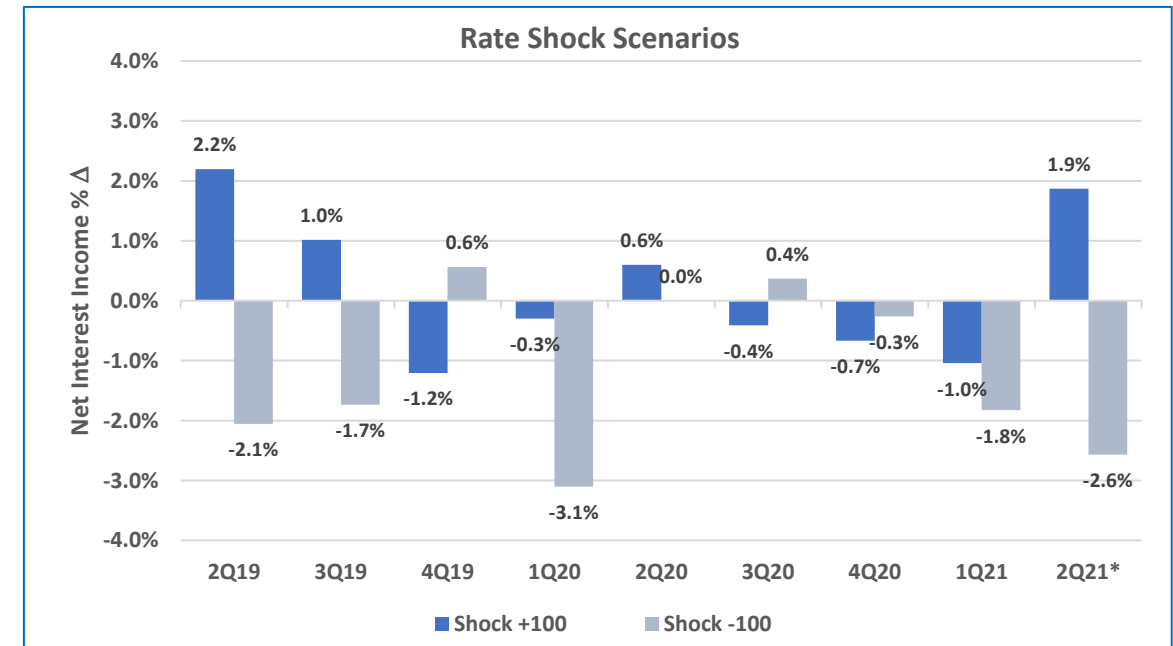
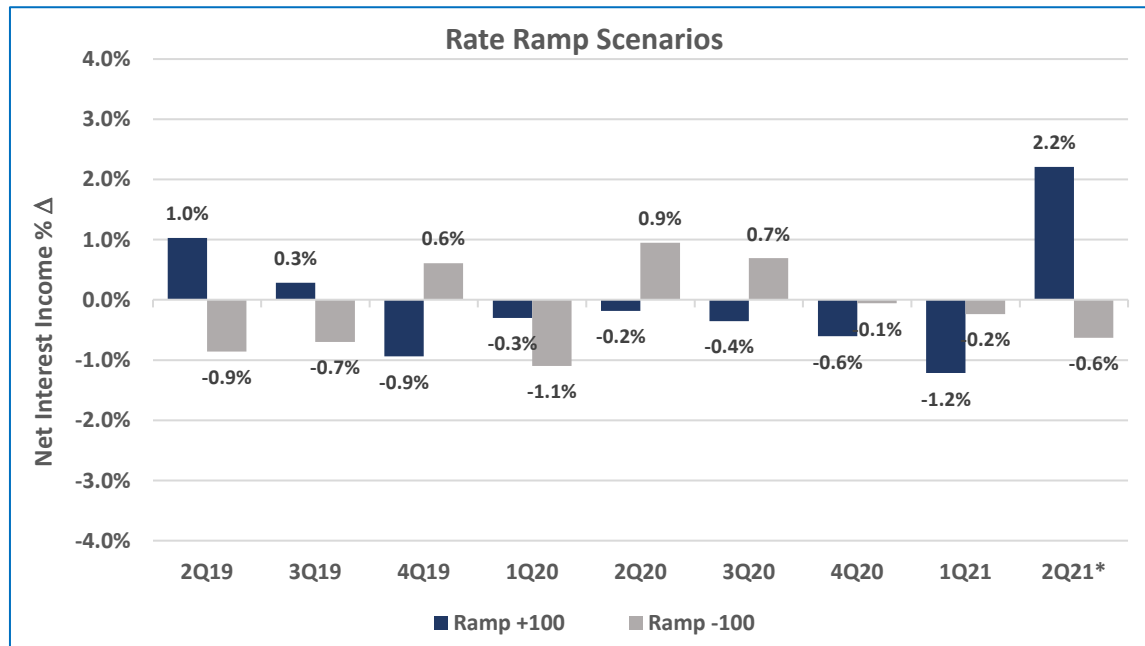


Note: See slide 66 for peer group utilized in the above analysis.

Source: S&P Global

# Interest Rate Sensitivity

- Change since 3/31 largely due to unwinding of \$1.5 billion loan floor; locked in \$46.5 million gain and freed up floating rate assets
- Numerous options available (or already undertaken) to Bank to increase asset sensitivity when the timing is right:
  - PPP forgiveness proceeds will organically be reinvested into mix of floating/fixed rate loans over time, boosting asset sensitivity. An assumption of 100% reinvestment in loans with 50/50% reinvestment split between fixed/float represents another 0.2% of asset sensitivity.
  - \$230MM of pay-fixed forward swaps transacted in 2020 are set to layer into balance sheet in 2023/2024, picking up another 0.3% of asset sensitivity.
  - Shorten duration in securities portfolio and/or lengthen wholesale funding duration position as needed to right size positioning.



\*Most recent IRR sensitivity analysis completed as of 6/30/21

Note: We believe our interest rate sensitivity modeling is consistent with regulatory requirements. Our interest rate sensitivity modeling incorporates a number of broad assumptions for both earnings simulation and EVE, including loan and deposit re-pricing characteristics, the rate of loan prepayments, static balance sheet, etc. Management periodically reviews these assumptions for accuracy based on historical data and future expectations and may change assumptions over time based on better data sources, improved modeling techniques, regulatory changes, etc. Our ALCO policy requires that the base scenario assumes ALL rates remain flat for the prescribed time periods and is the scenario, including those above, to which all others are compared in order to measure the change in net interest income and EVE. Policy limits are applied to the results of certain modeling scenarios. While the primary policy scenarios focus is on a twelve-month time frame, including the information above, for the earnings simulations model, longer time horizons are also modeled but are not shown herein.

# NIM Adjusted for PPP and Liquidity Impact

*Estimate PPP and Liquidity Build negatively impacted 2Q21 NIM by 0.17%*

	Actual Avg Balances 2Q21	ProForma Adjustments	Adjusted Avg Balances after PF Entries	Interest	ProForma Adjustments	Adjusted Interest after PF Entries	Rates/ Yields	ProForma Yield/ Rate Adj.	Adj. Yield/ Rates after PF Entries
<b>Loans <sup>(1)(2)</sup></b>	\$ 23,180	\$ (1,929) <sup>a</sup>	\$ 21,251	\$ 232.8	\$ (26.3) <sup>a</sup>	\$ 206.5	4.11%	5.47% <sup>a</sup>	3.98%
<b>Securities <sup>(2)</sup></b>									
<b>Taxable</b>	2,581		2,581	8.4		8.4	1.30%		1.30%
<b>Tax-exempt</b>	2,456		2,456	16.5		16.5	3.25%		3.25%
<b>Other</b>	157		157	0.6		0.6	1.47%		1.47%
<b>Fed funds sold &amp; Interest-bearing deposits</b>	2,986	(2,574) <sup>b</sup>	412	1.0	(0.9) <sup>b</sup>	0.1	0.13%	0.13% <sup>b</sup>	0.13%
	<b>\$ 31,360</b>	<b>(4,503)</b>	<b>\$ 26,857</b>	<b>\$ 259.2</b>	<b>\$ (27.2)</b>	<b>\$ 232.1</b>	<b>3.42%</b>		<b>3.58%</b>
<b>Nonearning assets</b>	3,694		3,694						
	<b>\$ 35,054</b>	<b>\$ (4,503)</b>	<b>\$ 30,551</b>						
<b>Total deposits and Interest-bearing liabilities</b>	29,749	(4,503) <sup>a,b</sup>	25,246	26.0	(3.9) <sup>a,b</sup>	22.1	0.35%	0.35% <sup>a,b</sup>	<b>0.35%</b>
<b>Other liabilities</b>	265		265						
<b>Stockholders' equity</b>	5,040		5,040						
	<b>\$ 35,054</b>	<b>\$ (4,503)</b>	<b>\$ 30,551</b>						
<b>Net Interest income</b>				<b>\$ 233.2</b>	<b>\$ (23.2)</b>	<b>\$ 210.0</b>			
<b>Net interest margin <sup>(3)</sup></b>							<b>3.08%</b>	<b>0.17%</b>	<b>3.25%</b>
<b>Pro Forma Adjustments</b>									
<i>a Average balances of PPP loans carried during 2Q21 at an average yield of 5.47%; assume funded from all funding sources.</i>									
<i>b Estimated average balances of excess liquidity carried during 2Q21 with average yield of 0.14%; assume funded from all funding sources.</i>									

(1) Average balances of nonperforming loans are included in the above amounts.

(2) Yields computed on tax-exempt instruments on a tax equivalent basis and included \$7.9 million of taxable equivalent income for the three months ended June 30, 2021 compared to \$6.9 million for the three months ended June 30, 2020. The tax-exempt benefit has been reduced by the projected impact of tax-exempt income that will be disallowed pursuant to IRS Regulations as of and for the then current period presented.

(3) Net interest margin is the result of annualized net interest income calculated on a tax equivalent basis divided by average interest-earning assets for the period.

# NIM Adjusted for PPP and Liquidity Impact

*Estimate PPP and Liquidity Build negatively impacted 1Q21 NIM by 0.27%*

	Actual Avg Balances 1Q21	ProForma Adjustments	Adjusted Avg Balances after PF Entries	Interest	ProForma Adjustments	Adjusted Interest after PF Entries	Rates/ Yields	ProForma Yield/ Rate Adj.	Adj. Yield/ Rates after PF Entries
<b>Loans <sup>(1)(2)</sup></b>	\$ 22,848	\$ (2,065) <sub>a</sub>	\$ 20,783	\$ 227.4	\$ (23.0) <sub>a</sub>	\$ 204.4	4.11%	4.51% <sub>a</sub>	4.07%
<b>Securities <sup>(2)</sup></b>									
<b>Taxable</b>	2,271		2,271	7.7		7.7	1.38%		1.38%
<b>Tax-exempt</b>	2,395		2,395	15.5		15.5	3.15%		3.15%
<b>Other</b>	160		160	0.6		0.6	1.54%		1.54%
<b>Fed funds sold &amp; Interest-bearing deposits</b>	3,196	(2,752) <sub>b</sub>	445	0.7	\$ (0.6) <sub>b</sub>	0.1	0.09%	0.09% <sub>b</sub>	0.09%
	<b>\$ 30,871</b>	<b>(4,816)</b>	<b>\$ 26,054</b>	<b>\$ 251.9</b>	<b>\$ (23.6)</b>	<b>\$ 228.3</b>	<b>3.41%</b>		<b>3.67%</b>
<b>Nonearning assets</b>	3,789		3,789						
	<b>\$ 34,659</b>	<b>\$ (4,816)</b>	<b>\$ 29,843</b>						
<b>Total deposits and Interest-bearing liabilities</b>	29,373	(4,816) <sub>a,b</sub>	24,556	29.0	(4.8) <sub>a,b</sub>	24.3	0.40%	0.40% <sub>a,b</sub>	<b>0.40%</b>
<b>Other liabilities</b>	332		332						
<b>Stockholders' equity</b>	4,954		4,954						
	<b>\$ 34,659</b>	<b>\$ (4,816)</b>	<b>\$ 29,843</b>						
<b>Net Interest income</b>				<b>\$ 222.9</b>	<b>\$ (18.8)</b>	<b>\$ 204.0</b>			
<b>Net interest margin <sup>(3)</sup></b>							<b>3.02%</b>	<b>0.27%</b>	<b>3.29%</b>
<b>Pro Forma Adjustments</b>									
<i>a Average balances of PPP loans carried during 1Q21 at an average yield of 4.51%; assume funded from all funding sources.</i>									
<i>b Estimated average balances of excess liquidity carried during 1Q21 with average yield of 0.09%; assume funded from all funding sources.</i>									

(1) Average balances of nonperforming loans are included in the above amounts.

(2) Yields computed on tax-exempt instruments on a tax equivalent basis and included \$7.3 million of taxable equivalent income for the three months ended March 31, 2021 compared to \$7.0 million for the three months ended March 31, 2020. The tax-exempt benefit has been reduced by the projected impact of tax-exempt income that will be disallowed pursuant to IRS Regulations as of and for the then current period presented.

(3) Net interest margin is the result of annualized net interest income calculated on a tax equivalent basis divided by average interest-earning assets for the period.

# NIM Adjusted for PPP and Liquidity Impact

*Estimate PPP and Liquidity Build negatively impacted 4Q20 NIM by 0.29%*

	Actual Avg Balances 4Q20	ProForma Adjustments	Adjusted Avg Balances after PF Entries	Interest	ProForma Adjustments	Adjusted Interest after PF Entries	Rates/ Yields	ProForma Yield/ Rate Adj.	Adj. Yield/ Rates after PF Entries
<b>Loans <sup>(1)(2)</sup></b>	\$ 22,525	\$ (2,110) <sub>a</sub>	\$ 20,414	\$ 232.6	\$ (24.6) <sub>a</sub>	\$ 208.0	4.20%	4.64% <sub>a</sub>	4.16%
<b>Securities <sup>(2)</sup></b>									
<b>Taxable</b>	2,236		2,236	7.5		7.5	1.34%		1.34%
<b>Tax-exempt</b>	2,332		2,332	15.4		15.4	3.16%		3.16%
<b>Other</b>	157		157	0.6		0.6	1.52%		1.52%
<b>Fed funds sold &amp; Interest-bearing deposits</b>	3,464	(2,978) <sub>b</sub>	486	0.9	(0.8) <sub>b</sub>	0.1	0.10%	0.11% <sub>b</sub>	0.09%
	<b>\$ 30,714</b>	<b>(5,088)</b>	<b>\$ 25,626</b>	<b>\$ 257.0</b>	<b>\$ (25.4)</b>	<b>\$ 231.6</b>	<b>3.44%</b>		<b>3.60%</b>
<b>Nonearning assets</b>	3,723		3,723						
	<b>\$ 34,437</b>	<b>\$ (5,088)</b>	<b>\$ 29,348</b>						
<b>Total deposits and Interest-bearing liabilities</b>	29,239	(5,088) <sub>a,b</sub>	24,150	36.1	(6.3) <sub>a,b</sub>	29.8	0.49%	0.49% <sub>a,b</sub>	<b>0.49%</b>
<b>Other liabilities</b>	346		346						
<b>Stockholders' equity</b>	4,852		4,852						
	<b>\$ 34,437</b>	<b>\$ (5,088)</b>	<b>\$ 29,348</b>						
<b>Net Interest income</b>				<b>\$ 221.0</b>	<b>\$ (19.1)</b>	<b>\$ 201.9</b>			
<b>Net interest margin <sup>(3)</sup></b>							<b>2.97%</b>	<b>0.29%</b>	<b>3.27%</b>
<b>Pro Forma Adjustments</b>									
<i>a Average balances of PPP loans carried during 4Q20 at an average yield of 4.64%; assume funded from all funding sources.</i>									
<i>b Estimated average balances of excess liquidity carried during 4Q20 with average yield of 0.11%; assume funded from all funding sources.</i>									

(1) Average balances of nonperforming loans are included in the above amounts.

(2) Yields computed on tax-exempt instruments on a tax equivalent basis and included \$8.4 million of taxable equivalent income for the three months ended December 31, 2020 compared to \$8.1 million for the three months ended December 31, 2019. The tax-exempt benefit has been reduced by the projected impact of tax-exempt income that will be disallowed pursuant to IRS Regulations as of and for the then current period presented.

(3) Net interest margin is the result of annualized net interest income calculated on a tax equivalent basis divided by average interest-earning assets for the period.



# NIM Adjusted for PPP and Liquidity Impact

*Estimate PPP and Liquidity Build negatively impacted 3Q20 NIM by 0.40%*

	Actual Avg Balances 3Q20	ProForma Adjustments	Adjusted Avg Balances after PF Entries	Interest	ProForma Adjustments	Adjusted Interest after PF Entries	Rates/ Yields	ProForma Yield/ Rate Adj.	Adj. Yield/ Rates after PF Entries
<b>Loans <sup>(1)(2)</sup></b>	\$ 22,493	\$ (2,235) a	\$ 20,258	\$ 224.5	\$ (15.6) a	\$ 208.9	4.04%	2.77% a	4.19%
<b>Securities <sup>(2)</sup></b>									
<b>Taxable</b>	2,226		2,226	8.3		8.3	1.43%		1.48%
<b>Tax-exempt</b>	2,194		2,194	15.0		15.0	3.37%		3.29%
<b>Other</b>	152		152	0.6		0.6	1.62%		1.62%
<b>Fed funds sold &amp; Interest-bearing deposits</b>	3,127	(2,616) b	511	0.8	\$ (0.7) b	0.1	0.10%	0.10% b	0.10%
<b>Nonearning assets</b>	\$ 30,192	(4,851)	\$ 25,341	\$ 249.2	\$ (16.3)	\$ 232.9	3.38%		3.79%
	3,647		3,647						
	<b>\$ 33,839</b>	<b>(4,851)</b>	<b>\$ 28,988</b>						
<b>Total deposits and Interest-bearing liabilities</b>	28,731	(4,851) a,b	23,880	42.6	(7.2) a,b	35.4	0.59%	0.59% a,b	0.59%
<b>Other liabilities</b>	342		342						
<b>Stockholders' equity</b>	4,766		4,766						
	<b>\$ 33,839</b>	<b>(4,851)</b>	<b>\$ 28,988</b>						
<b>Net Interest income</b>				\$ 206.6	\$ (9.0)	\$ 197.5			
<b>Net interest margin <sup>(3)</sup></b>							2.82%	0.40%	3.22%
<b>Pro Forma Adjustments</b>									
a Average balances of PPP loans carried during 3Q20 at an average yield of 2.77%; assume funded from all funding sources.									
b Estimated average balances of excess liquidity carried during 3Q20 with average yield of 0.10%; assume funded from all funding sources.									

(1) Average balances of nonperforming loans are included in the above amounts.

(2) Yields computed on tax-exempt instruments on a tax equivalent basis and included \$7.3 million of taxable equivalent income for the three months ended Sept. 30, 2020 compared to \$7.5 million for the three months ended September 30, 2019. The tax-exempt benefit has been reduced by the projected impact of tax-exempt income that will be disallowed pursuant to IRS Regulations as of and for the then current period presented.

(3) Net interest margin is the result of annualized net interest income calculated on a tax equivalent basis divided by average interest-earning assets for the period.

# NIM Adjusted for PPP and Liquidity Impact

*Estimate PPP and Liquidity Build negatively impacted 2Q20 NIM by 0.32%*

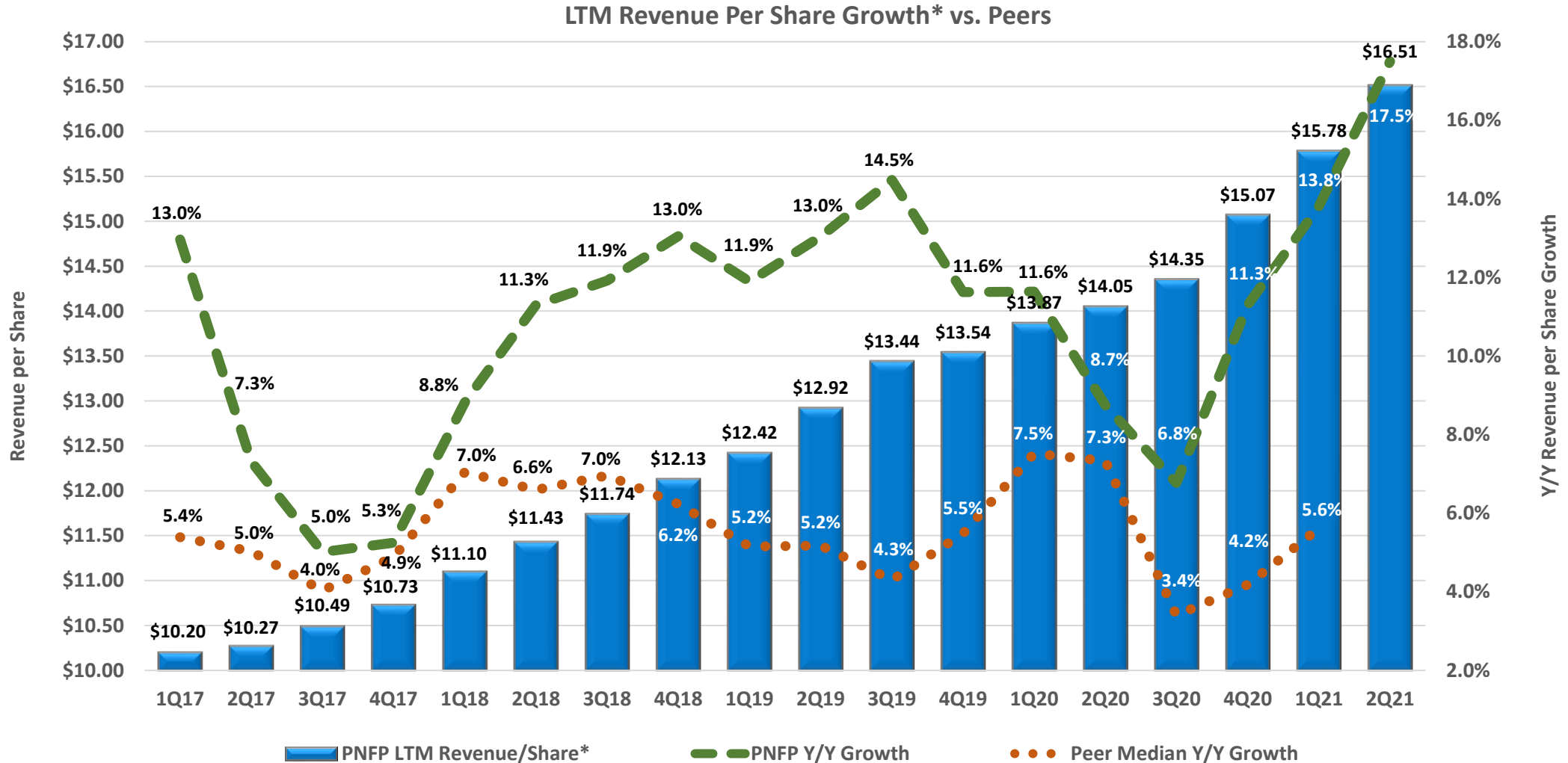
	Actual Avg Balances 2Q20	ProForma Adjustments	Adjusted Avg Balances after PF Entries	Interest	ProForma Adjustments	Adjusted Interest after PF Entries	Rates/ Yields	ProForma Yield/ Rate Adj.	Adj. Yield/ Rates after PF Entries
<b>Loans</b> <sup>(1)(2)</sup>	\$ 22,257	\$ (1,689) <sub>a</sub>	\$ 20,568	\$ 226.28	\$ (12.12) <sub>a</sub>	\$ 214.16	4.16%	2.89% <sub>a</sub>	4.27%
<b>Securities</b> <sup>(2)</sup>									
<b>Taxable</b>	2,157		2,157	9.59		9.59	1.79%		1.79%
<b>Tax-exempt</b>	2,038		2,038	14.60		14.60	3.44%		3.44%
<b>Fed funds sold</b>	2,619	(1,967) <sub>b</sub>	652	1.27	(0.42) <sub>b</sub>	0.85	0.20%	0.09% <sub>b</sub>	0.29%
	<u>\$ 29,071</u>	<u>(3,656)</u>	<u>\$ 25,415</u>	<u>\$ 251.74</u>	<u>\$ (12.54)</u>	<u>\$ 239.19</u>	<u>3.58%</u>		<u>3.89%</u>
<b>Nonearning assets</b>	3,715		3,715						
	<u>\$ 32,786</u>	<u>\$ (3,656)</u>	<u>\$ 29,130</u>						
<b>Total Deposits and Interest Bearing Liabilities</b>	27,919	(3,656) <sub>a,b</sub>	24,263	51.08	(6.69) <sub>a,b</sub>	44.39	0.74%	0.74% <sub>a,b</sub>	<b>0.74%</b>
<b>Other liabilities</b>	368		368						
<b>Stockholders' equity</b>	4,499		4,499						
	<u>\$ 32,786</u>	<u>\$ (3,656)</u>	<u>\$ 29,130</u>						
<b>Net Interest income</b>				<u>\$ 200.66</u>	<u>\$ (5.86)</u>	<u>\$ 194.80</u>			
<b>Net interest margin</b> <sup>(3)</sup>							<u>2.87%</u>	<u>0.32%</u>	<u>3.19%</u>
<b>Pro Forma Adjustments</b>									
<i>a Average balances of PPP loans carried during the first quarter of 2020 at an average yield of 2.89%. Assume funded from all funding sources.</i>									
<i>b Estimated average balances of excess liquidity carried during second quarter of 2020 with average yield in second quarter of 0.09%. Assume funded from all funding sources.</i>									

(1) Average balances of nonperforming loans are included in the above amounts.

(2) Yields computed on tax-exempt instruments on a tax equivalent basis and included \$6.9 million of taxable equivalent income for the three months ended June 30, 2020 compared to \$6.9 million for the three months ended June 30, 2019. The tax-exempt benefit has been reduced by the projected impact of tax-exempt income that will be disallowed pursuant to IRS Regulations as of and for the then current period presented.

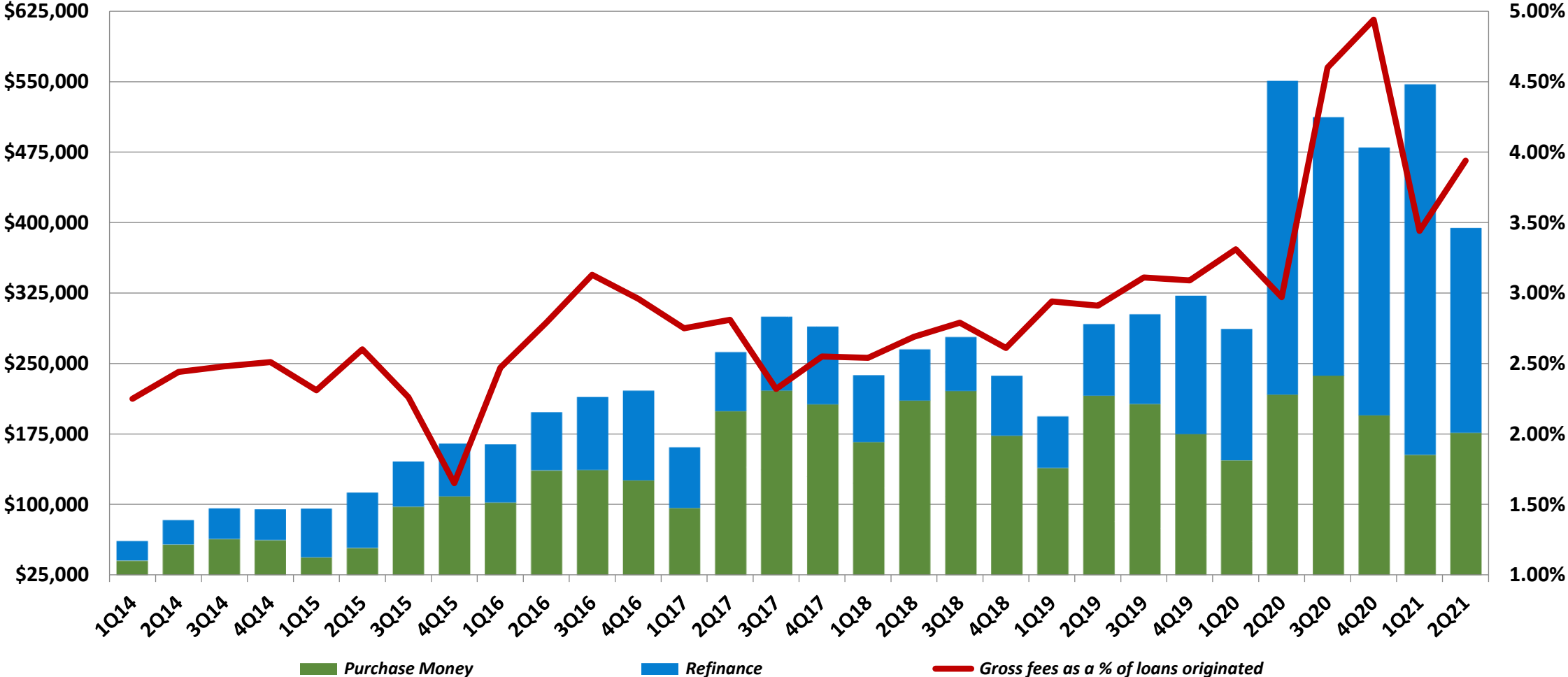
(3) Net interest margin is the result of annualized net interest income calculated on a tax equivalent basis divided by average interest-earning assets for the period.

# Income Statement – Revenue per Common Share



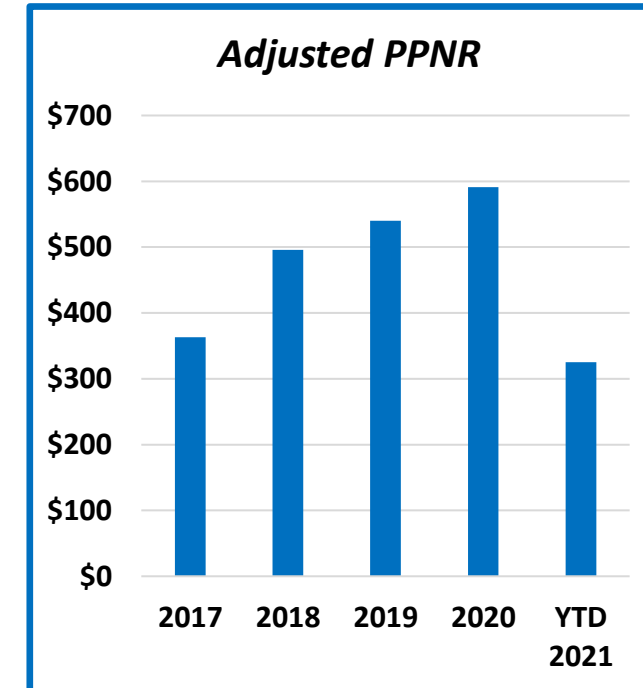
\*: excluding gains and losses on sales of investment securities. For a reconciliation of these Non-GAAP financial measures to the comparable GAAP measures, see slide 63-64.  
 Note: See slide 66 for peer group utilized in the above analysis. Peer group calculated by aggregating total peer revenues by total peer weighted avg. shares for each quarter.  
 Source: S&P Global

# Income Statement – Mortgage Volumes



# Income Statement – PPNR

(\$'s in thousands)	2017	2018	2019	2020	YTD 2021
<b>PPNR Trends</b>					
Net interest income	\$543,306	\$ 736,342	\$ 766,142	\$821,788	\$456,095
Noninterest income	144,904	200,850	263,826	317,840	190,916
Noninterest expense	(366,560)	(452,867)	(505,148)	(576,536)	320,836
PPNR before adjustments	\$ 321,650	\$ 484,325	\$ 524,820	\$563,092	\$326,175
<b>Adjustments to PPNR</b>					
Investment (gains) and losses	\$ 8,265	\$ 2,254	\$ 5,941	(\$986)	(\$366)
Loss on sale of non-prime automobile portfolio	-	-	1,536	-	-
ORE expense (benefit)	1,079	723	4,228	8,555	(670)
Merger charges	31,843	8,259	-	-	-
FHLB restructuring charges	-	-	-	15,168	-
Hedge termination charges	-	-	-	4,673	-
Branch rationalization charges	-	-	3,189	-	-
<b>Adjusted PPNR</b>	<b>\$ 362,837</b>	<b>\$ 495,561</b>	<b>\$ 539,714</b>	<b>\$590,502</b>	<b>\$325,139</b>
Adjusted PPNR growth rate	63.8%	36.6%	8.9%	9.4%	
<b>Adjusted Net PPNR per share*</b>	<b>\$ 5.64</b>	<b>\$ 6.40</b>	<b>\$ 7.03</b>	<b>\$7.81</b>	<b>\$8.59</b>
PPNR/share growth rate*	11.5%	13.5%	9.8%	11.1%	10.0%



\*: Annualized for YTD 2021.

Note: For a reconciliation of PPNR per share to the comparable GAAP measures, see slide 65.

# BHG Financials

## Strong equity to support business model

- *Strong performance in 2Q21*
- *Strong cash position to provide increased liquidity and, thus, better withstand any Pandemic losses*

	At Jun 30, 2021	At Mar 31, 2021	At Jun 30, 2020
Cash and Cash Equivalents	\$ 240,568,014	\$ 243,771,546	\$ 368,326,700
Loans Held for Investment	\$ 1,334,048,674	\$ 911,436,840	\$ 492,320,030
Allowance for Loan Losses	\$ (33,730,075)	\$ (24,719,046)	\$ (9,537,646)
Loans Held for Sale	\$ 216,385,024	\$ 362,098,436	\$ 347,004,462
Premises and Equipment	\$ 65,032,357	\$ 58,650,429	\$ 40,530,721
Other assets	\$ 59,843,343	\$ 57,673,558	\$ 29,563,805
<b>Total Assets</b>	<b>\$ 1,882,147,336</b>	<b>\$ 1,608,911,764</b>	<b>\$ 1,268,208,072</b>
Recourse Obligation	267,066,443	295,950,482	229,273,708
Secured Borrowings	1,141,195,720	785,628,097	310,368,848
Notes Payable	30,949,268	76,419,397	350,243,201
Borrower Reimbursable Fee	88,307,327	80,527,487	62,899,797
Other Liabilities	45,637,617	95,540,147	94,162,108
<b>Total Liabilities</b>	<b>\$ 1,573,156,376</b>	<b>\$ 1,334,065,610</b>	<b>\$ 1,046,947,662</b>
Equity (all Tangible)	308,990,959	274,846,154	221,260,410
<b>Total Liabilities &amp; Stockholders Equity</b>	<b>\$ 1,882,147,336</b>	<b>\$ 1,608,911,764</b>	<b>\$ 1,268,208,072</b>
Loan Liability at Other Banks	4,017,574,905	3,898,876,599	3,162,388,912
Total Outstanding Loan Liability	5,317,893,504	4,785,594,393	3,645,171,296
<b>Soundness Statistics:</b>			
Cash to Assets	12.78%	15.15%	29.04%
Equity to Assets	16.42%	17.08%	17.45%
Recourse Obligation to Loans at Other Banks	6.65%	7.59%	7.25%
Allowance to Loans Held for Investment	2.53%	2.71%	1.94%
Total Reserves against Total Outstanding	5.66%	6.70%	6.55%

	2Q 2021	1Q 2021	2Q 2020
Gains on Loan Sales & Origination Fees	\$ 127,470,962	\$ 115,992,080	\$ 67,250,864
Interest and Dividend Income	44,021,637	34,587,068	21,975,146
Other Income	7,491,298	7,044,010	3,564,355
<b>Total Revenues</b>	<b>178,983,897</b>	<b>157,623,157</b>	<b>92,790,365</b>
Expenses related to Loan Portfolio Management			
Provision expense	12,966,536	6,248,963	3,224,805
Interest expense	8,201,637	6,657,805	5,013,548
Other	4,560,288	4,009,508	2,923,102
<b>Total</b>	<b>25,728,461</b>	<b>16,916,276</b>	<b>11,161,455</b>
Salary and benefits	43,905,869	39,190,149	24,202,468
Marketing expenses	30,727,963	24,819,904	7,834,184
Other expenses	16,268,600	18,135,271	11,918,645
<b>Total operating expenses</b>	<b>90,902,432</b>	<b>82,145,325</b>	<b>43,955,297</b>
<b>Net Earnings</b>	<b>\$ 62,353,004</b>	<b>\$ 58,561,556</b>	<b>\$ 37,673,613</b>
<b>Profitability Statistics</b>			
Earnings to Revenues	34.84%	37.15%	40.60%
Portfolio Mgmt Expense to Revenues	14.37%	10.73%	12.03%
Operating Expenses to Revenues	50.79%	52.12%	47.37%

\*Interest Income Includes I/O strip interest income

# Income Statement

## Reconciliation of Non-GAAP Financial Measures

	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
Net income	\$ 127,992	\$ 121,630	\$ 107,078	\$ 106,847	\$ 62,444	\$ 28,356	\$ 96,079	\$ 110,521	\$ 100,321	93,960	95,318	93,747	86,865	83,510	26,798	64,442	43,086	39,653
Merger-related charges	-	-	-	-	-	-	-	-	-	-	-	-	2,906	5,353	19,103	8,847	3,221	672
Investment (gains) losses on sales of securities	(366)	-	-	(651)	128	(463)	(68)	(417)	4,466	1,960	2,295	(11)	-	(30)	8,265	-	-	-
Sale of non-prime automobile portfolio	-	-	-	-	-	-	-	-	1,536	-	-	-	-	-	-	-	-	-
ORE expense (income)	(657)	(13)	1,457	1,795	2,888	2,415	804	655	2,523	(246)	(631)	(67)	(819)	794	(252)	(513)	(63)	(252)
Branch rationalization charges	-	-	-	-	-	-	-	-	3,189	-	-	-	-	-	-	-	-	-
FHLB restructuring charges	-	-	10,307	1,991	2,870	-	-	-	-	-	-	-	-	-	-	-	-	-
Hedge termination charges	-	-	4,673	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax effect on above noted adjustments	267	3	(4,297)	(819)	(1,539)	(510)	(192)	(62)	(3,062)	(448)	(435)	20	(546)	(1,599)	(7,088)	(2,179)	(826)	(110)
Revaluation of deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,486	-	-	-
Net income excluding above noted adjustments	\$ 127,236	\$ 121,620	\$ 119,218	\$ 109,163	\$ 66,791	\$ 29,798	\$ 96,623	\$ 110,697	\$ 108,973	\$ 95,226	\$ 96,547	\$ 93,689	\$ 88,406	\$ 88,028	\$ 78,312	\$ 70,597	\$ 45,418	\$ 39,963
Basic earnings per common share	\$ 1.70	\$ 1.61	\$ 1.42	\$ 1.42	\$ 0.83	\$ 0.37	\$ 1.26	\$ 1.45	\$ 1.31	1.22	1.24	1.22	1.13	1.08	0.35	0.84	0.81	0.83
Adjustment due to merger-related charges	-	-	-	-	-	-	-	-	-	-	-	-	0.04	0.07	0.25	0.12	0.06	0.01
Adjustment due to gains and losses on the sale of investment securities	-	-	-	(0.01)	-	-	(0.00)	(0.01)	0.06	0.03	0.03	(0.00)	-	(0.00)	0.11	-	-	-
Adjustment due to sale of non-prime automobile portfolio	-	-	-	-	-	-	-	-	0.02	-	-	-	-	-	-	-	-	-
Adjustment due to ORE expense (income)	(0.01)	-	0.02	0.02	0.04	0.03	0.01	0.01	0.04	0.00	-	(0.00)	0.01	0.01	(0.00)	(0.01)	(0.00)	(0.01)
Adjustment due to branch rationalization charges	-	-	-	-	-	-	-	-	0.04	-	-	-	-	-	-	-	-	-
Adjustment due to FHLB restructuring charges	-	-	0.14	0.03	0.04	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment due to hedge termination charges	-	-	0.06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment due to tax effect of above noted adjustments	-	-	(0.06)	(0.01)	(0.02)	(0.01)	(0.00)	(0.00)	(0.04)	(0.01)	(0.01)	0.00	(0.01)	(0.02)	(0.09)	(0.03)	(0.02)	(0.00)
Basic earnings per common share excluding above noted adjustments	\$ 1.69	\$ 1.61	\$ 1.58	\$ 1.45	\$ 0.89	\$ 0.39	\$ 1.27	\$ 1.45	\$ 1.43	1.24	1.26	1.22	1.17	1.13	0.98	0.91	0.85	0.84
Diluted earnings per common share	\$ 1.69	\$ 1.61	\$ 1.42	\$ 1.42	\$ 0.83	\$ 0.37	\$ 1.26	\$ 1.44	\$ 1.31	1.22	1.24	1.21	1.12	1.08	0.35	0.83	0.80	0.82
Adjustment due to merger-related charges	-	-	-	-	-	-	-	-	-	-	-	-	0.04	0.07	0.25	0.11	0.06	0.01
Adjustment due to gains and losses on the sale of investment securities	-	-	-	(0.01)	-	-	-	(0.01)	0.06	0.03	0.03	(0.00)	-	(0.00)	0.11	-	-	-
Adjustment due to sale of non-prime automobile portfolio	-	-	-	-	-	-	-	-	0.02	-	-	-	-	-	-	-	-	-
Adjustment due to ORE expense (income)	(0.01)	-	0.02	0.02	0.04	0.03	0.01	0.01	0.03	0.00	(0.01)	(0.00)	0.01	0.01	(0.00)	(0.01)	(0.00)	(0.01)
Adjustment due to branch rationalization charges	-	-	-	-	-	-	-	-	0.04	-	-	-	-	-	-	-	-	-
Adjustment due to FHLB restructuring charges	-	-	0.14	0.03	0.04	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment due to hedge termination charges	-	-	0.06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment due to tax effect of above noted adjustments	-	-	(0.06)	(0.01)	(0.02)	(0.01)	-	0.01	(0.04)	(0.01)	(0.01)	0.00	(0.01)	(0.02)	(0.09)	(0.03)	(0.02)	(0.00)
Diluted earnings per common share excluding above noted adjustments	\$ 1.68	\$ 1.61	\$ 1.58	\$ 1.45	\$ 0.89	\$ 0.39	\$ 1.27	\$ 1.45	\$ 1.42	1.24	1.26	1.21	1.15	1.13	0.97	0.90	0.84	0.83
Net interest income	\$ 233,225	\$ 222,870	\$ 220,985	\$ 206,594	\$ 200,657	\$ 193,552	\$ 194,172	\$ 195,806	\$ 188,918	187,246	190,215	189,420	182,236	174,471	175,017	172,910	106,627	88,767
Total noninterest income	98,207	92,709	83,444	91,065	72,954	70,377	59,462	82,619	70,682	51,063	57,270	51,478	47,939	44,183	36,202	43,248	35,057	30,382
Total revenues	331,432	315,579	304,429	297,659	273,611	263,929	253,634	278,425	259,600	238,309	247,485	240,898	230,175	218,654	211,219	216,158	141,684	119,149
Less: Investment (gains) losses on sales of securities, net	(366)	-	-	(651)	128	(463)	(68)	(417)	1,960	4,466	2,295	(11)	-	(30)	8,265	-	-	-
Loss on sale of non-prime automobile portfolio	-	-	-	-	-	-	-	-	1,536	-	-	-	-	-	-	-	-	-
Total revenues, excluding above noted adjustments	\$ 331,066	\$ 315,579	\$ 304,429	\$ 297,008	\$ 273,739	\$ 263,466	\$ 253,566	\$ 278,008	\$ 265,602	240,269	249,780	240,887	230,175	218,624	219,484	216,158	141,684	119,149
Revenue per common share	\$ 4.37	\$ 4.17	\$ 4.03	\$ 3.95	\$ 3.63	\$ 3.47	\$ 3.32	\$ 3.64	\$ 3.39	3.09	3.19	3.11	2.97	2.83	2.73	2.80	2.64	2.46
Adjustment due to above noted adjustments	-	-	-	(0.01)	-	-	-	(0.01)	0.08	0.03	0.03	-	-	-	0.10	-	-	-
Revenue per common share excluding above noted adjustments	\$ 4.37	\$ 4.17	\$ 4.03	\$ 3.94	\$ 3.63	\$ 3.47	\$ 3.32	\$ 3.63	\$ 3.47	3.12	3.22	3.11	2.97	2.83	2.83	2.80	2.64	2.46
Book value per common share	\$ 64.19	\$ 62.33	\$ 61.80	\$ 60.26	\$ 59.05	\$ 57.85	\$ 56.89	\$ 55.97	\$ 54.29	52.63	51.18	50.05	49.15	48.16	47.70	47.31	46.56	34.61
Adjustment due to goodwill, core deposit and other intangible assets	(24.42)	(24.45)	(24.55)	(24.58)	(24.62)	(24.65)	(24.44)	(24.37)	(24.03)	(24.02)	(23.91)	(23.84)	(23.87)	(23.92)	(23.99)	(23.99)	(23.98)	(11.36)
Tangible book value per common share	\$ 39.77	\$ 37.88	\$ 37.25	\$ 35.68	\$ 34.43	\$ 33.20	\$ 32.45	\$ 31.60	\$ 30.26	28.61	27.27	26.21	25.28	24.24	23.71	23.32	22.58	23.25

# Income Statement

## Reconciliation of Non-GAAP Financial Measures

	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
Net interest income	\$ 233,225	\$ 222,870	\$ 220,985	\$ 206,594	\$ 200,657	\$ 193,552	\$ 194,172	\$ 195,806	\$ 188,918	187,246	190,215	189,420	182,236	174,471	175,017	172,910	106,627	88,767
Total noninterest income	98,207	92,709	83,444	91,065	72,954	70,377	59,462	82,619	70,682	51,063	57,270	51,478	47,939	44,183	36,202	43,248	35,057	30,382
Total revenues	331,432	315,579	304,429	297,659	273,611	263,929	253,634	278,425	259,600	238,309	247,485	240,898	230,175	218,654	211,219	216,158	141,684	119,149
Less: Investment (gains) losses on sales of securities, net	(366)	-	-	(651)	128	(463)	(68)	(417)	4,466	1,960	2,295	(11)	-	(30)	8,265	-	-	-
Loss on sale of non-prime automobile portfolio	-	-	-	-	-	-	-	-	1,536	-	-	-	-	-	-	-	-	-
Total revenues, excluding above noted adjustments	331,066	315,579	304,429	297,008	273,739	263,466	253,566	278,008	265,602	240,269	249,780	240,887	230,175	218,624	219,484	216,158	141,684	119,149
Total noninterest income	\$ 98,207	\$ 92,709	\$ 83,444	\$ 91,065	\$ 72,954	\$ 70,377	\$ 59,462	\$ 82,619	\$ 70,682	51,063	119,409	113,990	110,908	108,580	122,973	109,736	71,798	62,054
Less: Investment (gains) losses on sales of securities, net	(366)	-	-	(651)	128	(463)	(68)	(417)	4,466	1,960	2,295	(11)	-	(30)	8,265	513	63	252
Loss on sale of non-prime automobile portfolio	-	-	-	-	-	-	-	-	1,536	-	-	-	-	-	-	-	-	-
Total noninterest income, excluding above noted adjustments	\$ 97,841	\$ 92,709	\$ 83,444	\$ 90,414	\$ 73,082	\$ 69,914	\$ 59,394	\$ 82,202	\$ 76,684	53,023	121,704	113,979	110,908	108,550	131,238	110,249	71,861	62,306
Total noninterest expense	\$ 166,140	\$ 154,696	\$ 163,305	\$ 144,277	\$ 131,605	\$ 137,349	\$ 132,941	\$ 132,942	\$ 127,686	114,051	119,409	113,990	110,908	108,580	122,973	109,736	71,798	62,054
Less: ORE expenses (income)	(657)	(13)	1,457	1,795	2,888	2,415	804	655	2,523	246	631	67	819	(794)	252	513	63	252
Branch rationalization charges	-	-	-	-	-	-	-	-	3,189	-	-	-	-	-	-	-	-	-
FHLLB restructuring charges	-	-	10,307	1,991	2,870	-	-	-	-	-	-	-	-	-	-	-	-	-
Hedge termination charges	-	-	4,673	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Merger-related charges	-	-	-	-	-	-	-	-	-	-	-	-	2,906	5,353	19,103	8,847	3,221	672
Core noninterest expense, excluding above noted adjustments	\$ 166,797	\$ 154,709	\$ 146,868	\$ 140,491	\$ 125,847	\$ 134,934	\$ 132,137	\$ 132,287	\$ 121,974	113,805	118,778	113,923	110,089	109,374	122,721	109,223	71,735	61,802
Pre-tax income	\$ 162,458	\$ 153,648	\$ 133,944	\$ 137,049	\$ 73,674	\$ 26,691	\$ 118,520	\$ 137,224	\$ 124,719	117,074	118,757	118,183	109,865	103,143	81,965	99,502	63,074	53,444
Provision for credit losses	2,834	7,235	7,180	16,333	68,332	99,889	4,644	8,260	7,195	7,184	9,319	8,725	9,402	6,931	6,281	6,320	6,812	3,651
Pre-tax pre-provision income	165,292	160,883	141,124	153,382	142,006	126,580	123,164	145,484	131,914	124,258	128,076	126,908	119,267	110,074	88,246	106,422	69,886	57,095
Adjustments noted above	(1,023)	(13)	16,437	3,135	5,886	1,952	736	238	11,714	2,206	2,926	56	3,725	4,529	9,873	3,347	1,176	
Adjusted pre-tax pre-provision income	\$ 164,269	\$ 160,870	\$ 157,561	\$ 156,517	\$ 147,892	\$ 128,532	\$ 123,900	\$ 145,722	\$ 143,628	126,464	131,002	126,964	122,932	114,603	115,866	116,295	73,233	58,271
Average assets	\$ 35,053,772	\$ 34,659,132	\$ 34,436,765	\$ 33,838,716	\$ 32,785,391	\$ 28,237,642	\$ 27,604,774	\$ 27,134,163	\$ 25,915,971	25,049,954	24,616,733	24,125,051	23,236,945	22,204,599	21,933,500	21,211,459	13,335,359	11,421,654
PPP loans	(1,929,363)	(2,064,882)	(2,110,314)	(2,235,277)	(1,690,930)	-	-	-	-	-	-	-	-	-	-	-	-	-
Average assets excluding PPP loans	\$ 33,124,409	\$ 32,594,250	\$ 32,326,451	\$ 31,603,439	\$ 31,094,461	\$ 28,237,641	\$ 27,604,774	\$ 27,134,163	\$ 25,915,971	25,049,954	24,616,733	24,125,051	23,236,945	22,204,599	21,933,500	21,211,459	13,335,359	11,421,654
Noninterest income/ Average assets	1.12%	1.08%	0.96%	1.07%	0.89%	1.00%	0.85%	1.21%	1.09%	0.83%	0.92%	0.85%	0.83%	0.81%	0.66%	0.80%	1.05%	1.08%
Adjustment due to above noted adjustments	0.00%	0.00%	0.00%	-0.01%	0.01%	0.00%	0.00%	-0.01%	0.10%	0.03%	0.04%	0.00%	0.00%	0.00%	0.15%	0.00%	0.00%	0.00%
Noninterest income (excluding above noted adjustments)/Average Assets	1.12%	1.08%	0.96%	1.06%	0.90%	1.00%	0.85%	1.20%	1.19%	0.86%	0.96%	0.85%	0.83%	0.81%	0.81%	0.80%	1.05%	1.08%
Noninterest income/ Average assets	1.12%	1.08%	0.96%	1.07%	0.89%	1.00%	0.85%	1.21%	1.09%	0.83%	0.92%	0.85%	0.83%	0.81%	0.66%	0.80%	1.05%	1.08%
Adjustment due to above noted adjustments and exclusion of PPP loans	0.06%	0.08%	0.07%	0.07%	0.06%	0.00%	0.00%	-0.01%	0.10%	0.03%	0.04%	0.00%	0.00%	0.00%	0.15%	0.00%	0.00%	0.00%
Noninterest income (excluding above noted adjustments)/Average Assets (excluding PPP loans)	1.18%	1.16%	1.03%	1.14%	0.95%	1.00%	0.85%	1.20%	1.19%	0.86%	0.96%	0.85%	0.83%	0.81%	0.81%	0.80%	1.05%	1.08%
Noninterest expense/ Average assets	1.90%	1.81%	1.89%	1.70%	1.61%	1.96%	1.88%	1.94%	1.98%	1.85%	1.92%	1.87%	1.91%	1.98%	2.22%	2.05%	2.16%	2.20%
Adjustment due to above noted adjustments	0.01%	0.00%	-0.19%	-0.05%	-0.07%	-0.04%	-0.02%	-0.01%	-0.03%	-0.01%	-0.01%	0.00%	-0.06%	-0.08%	-0.35%	-0.17%	-0.10%	-0.03%
Core noninterest expense (excluding above noted adjustments)/ Average assets	1.91%	1.81%	1.70%	1.65%	1.54%	1.92%	1.86%	1.93%	1.89%	1.84%	1.91%	1.87%	1.85%	1.90%	1.87%	1.88%	2.06%	2.17%
Efficiency ratio	50.1%	49.0%	53.6%	48.5%	48.1%	52.0%	51.4%	47.8%	49.2%	47.9%	48.3%	47.3%	48.2%	49.7%	58.2%	50.8%	50.7%	52.1%
Adjustment due to above noted adjustments	0.3%	0.0%	-5.4%	-1.2%	-2.1%	-0.8%	-0.3%	-0.2%	-3.3%	-0.5%	-0.7%	0.0%	-1.6%	-2.1%	-11.0%	-4.4%	-2.3%	-0.8%
Adjusted Efficiency ratio	50.4%	49.0%	48.2%	47.3%	46.0%	51.2%	51.1%	47.6%	45.9%	47.4%	47.6%	47.3%	46.6%	47.6%	47.2%	46.4%	48.4%	51.3%
Allowance for credit losses as a percent of total loans	1.20%	1.22%	1.27%	1.28%	1.27%	1.09%	0.48%	0.48%	0.48%	0.48%	0.47%	0.46%	0.44%	0.43%	0.43%	0.43%	0.42%	0.68%
Impact of excluding PPP loans from total loans	0.07%	0.13%	0.11%	0.15%	0.14%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Allowance as adjusted for the above exclusion of PPP loans from total loans	1.27%	1.35%	1.38%	1.43%	1.41%	1.09%	0.48%	0.48%	0.48%	0.48%	0.47%	0.46%	0.44%	0.43%	0.43%	0.43%	0.42%	0.68%



# Income Statement

## Reconciliation of Non-GAAP Financial Measures

	2Q21 YTD	2020	2019	2018	2017
Pre-tax pre-provision net revenue	\$ 326,175	563,092	524,820	484,325	321,650
Investment gains and losses	(366)	(986)	5,941	2,254	8,265
Loss on sale of non-prime automobile portfolio	-	-	1,536	-	-
ORE expenses (income)	(670)	8,555	4,228	723	1,079
Merger charges	-	-	-	8,259	31,843
FHLB restructuring charges	-	15,168	-	-	-
Hedge termination charges	-	4,673	-	-	-
Branch rationalization charges	-	-	3,189	-	-
Adjusted pre-tax pre-provision net revenue	\$ 325,139	\$ 590,502	\$ 539,714	\$ 495,561	\$ 362,837
Pre-tax pre-provision net revenue per share	\$ 8.61	\$ 7.44	\$ 6.84	\$ 6.25	\$ 5.00
Impact of adjustments noted above	(0.02)	0.37	0.19	0.15	0.64
Adjusted pre-tax pre-provision net revenue per share	\$ 8.59	\$ 7.81	\$ 7.03	\$ 6.40	\$ 5.64

Institution Name	Ticker	City, State
<b>Pinnacle Financial Partners</b>	<b>PNFP</b>	<b>Nashville, TN</b>
<b>Valley National Bancorp</b>	<b>VLY</b>	<b>Wayne, NJ</b>
<b>BancorpSouth, Inc.</b>	<b>BXS</b>	<b>Tupelo, MS</b>
<b>Bank of the Ozarks, Inc.</b>	<b>OZK</b>	<b>Little Rock, AR</b>
<b>Simmons First National Corp.</b>	<b>SFNC</b>	<b>Pine Bluff, AR</b>
<b>F.N.B. Corporation</b>	<b>FNB</b>	<b>Pittsburgh, PA</b>
<b>Cullen/Frost Bankers Inc.</b>	<b>CFR</b>	<b>San Antonio, TX</b>
<b>Fulton Financial Corporation</b>	<b>FULT</b>	<b>Lancaster, PA</b>
<b>Hancock Holding Company</b>	<b>HWC</b>	<b>Gulfport, MS</b>
<b>Commerce Bancshares, Inc.</b>	<b>CBSH</b>	<b>Kansas City, MO</b>
<b>South State Corporation</b>	<b>SSB</b>	<b>Winter Haven, FL</b>
<b>First Midwest Bancorp Inc.</b>	<b>FMBI</b>	<b>Chicago, IL</b>
<b>PacWest Bancorp</b>	<b>PACW</b>	<b>Beverly Hills, CA</b>
<b>Prosperity Bancshares, Inc.</b>	<b>PB</b>	<b>Houston, TX</b>
<b>Sterling Bancorp</b>	<b>STL</b>	<b>Montebello, NY</b>
<b>Synovus Financial Corp.</b>	<b>SNV</b>	<b>Columbus, GA</b>
<b>TCF Financial Corporation</b>	<b>TCF</b>	<b>Detroit, MI</b>
<b>Atlantic Union Bkshs Corp.</b>	<b>AUB</b>	<b>Richmond, VA</b>
<b>UMB Financial Corporation</b>	<b>UMBF</b>	<b>Kansas City, MO</b>
<b>Umpqua Holdings Corporation</b>	<b>UMPQ</b>	<b>Portland, OR</b>
<b>Western Alliance Bancorporation</b>	<b>WAL</b>	<b>Phoenix, AZ</b>
<b>Wintrust Financial Corporation</b>	<b>WTFC</b>	<b>Rosemont, IL</b>

# Investor Call

SECOND QUARTER 2021

M. TERRY TURNER, PRESIDENT AND CEO  
HAROLD R. CARPENTER, EVP AND CFO

**Pinnacle**<sup>SM</sup>  
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