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PINNACLE FINANCIAL REPORTS RETURN TO PROFITABILITY IN THIRD QUARTER 2010

NASHVILLE, Tenn., Oct. 19, 2010 – Pinnacle Financial Partners, Inc. (Nasdaq/NGS: PNFP) today reported its third quarter results. Net income per fully diluted common share available to common stockholders was $0.02 for the quarter ended Sept. 30, 2010, compared to net loss per fully diluted common share available to common stockholders for the quarter ended Sept. 30, 2009, of $0.15. Pinnacle also reported a net loss per fully diluted common share available to common stockholders of $1.00 for the nine months ended Sept. 30, 2010, compared to a net loss per fully diluted common share available to common stockholders of $1.39 for the nine months ended Sept. 30, 2009.

“We are very pleased with the progress we made on a number of credit measures, including reductions in nonperforming assets and potential problem loans. The firm achieved a significant reduction in net charge-offs and continued to decrease exposure to construction and land development loans, both key priorities for our firm,” said M. Terry Turner, Pinnacle’s president and chief executive officer. “These achievements have allowed us to report quarterly net income for the first time this year.”

Aggressively Dealing with Problem Loans

- Reduced exposure to construction and land development loans from $411.5 million at June 30, 2010, to $359.7 million at Sept. 30, 2010, a decrease of 12.6 percent
- $30.4 million in foreclosures during the third quarter
- $43.1 million in nonperforming asset resolutions during the third quarter. Year to date resolutions of $145.5 million through Sept. 30, 2010.

- Nonperforming loan inflows decreased from $71.2 in the second quarter of 2010 to $34.0 million during the third quarter of 2010

Expanding the Core Earnings Capacity of the Firm

- Continued growth in core deposits of 5.2 percent during the third quarter and 30.5 percent from Sept. 30, 2009. Average balances of noninterest bearing deposit accounts were $534 million in the third quarter of 2010, an increase of 5.9 percent over the prior quarter average balances.
- Net interest margin increased from 3.05 percent for the quarter ended Sept. 30, 2009, to 3.23 percent for the quarter ended Sept. 30, 2010, which was the same as the net interest margin for the quarter ended June 30, 2010.
- Net interest income increased by 4.4 percent between the third quarter of 2010 and third quarter of 2009.
- Fee income was $8.59 million in third quarter of 2010, compared to $10.57 million in the second quarter of 2010 and $7.74 million in the third quarter of 2009. Excluding securities gains of $2.26 million in the second quarter of 2010, fee income increased from $8.31 million in the second quarter of 2010 to $8.59 million in the third quarter of 2010.

"Pinnacle's core funding growth, which increased 31 percent year-over-year, has been extraordinary. We believe exchanging $786 million in brokered and other non-core deposits for lower cost core deposits in the past 12 months validates our strength in our markets," Turner said.

THIRD QUARTER 2010 HIGHLIGHTS:

- **Capital**
    - At Sept. 30, 2010, and Dec. 31, 2009, Pinnacle's ratio of tangible common stockholders' equity to tangible assets was 7.2 percent and 7.3 percent, respectively. Pinnacle's tangible book value per common share was $10.12 at Sept. 30, 2010, compared to $10.71 at Dec. 31, 2009. Book value per common share was $17.61 and $18.41 at Sept. 30, 2010, and Dec. 31, 2009, respectively.

    - At Sept. 30, 2010, Pinnacle Financial's total risk-based capital ratio was 15.1 percent, compared to 14.8 percent at Dec. 31, 2009.
- **Balance sheet and liquidity**
    - Total deposits at Sept. 30, 2010, were $3.83 billion, up $5.73 million from $3.82 billion at Sept. 30, 2009, but down from the $3.85 billion reported at June 30, 2010.
    - Core deposits amounted to $2.93 billion at Sept. 30, 2010, an increase of 30.5 percent from the $2.24 billion at Sept. 30, 2009. Core deposits also increased by an annualized growth rate of 20.7 percent during the third quarter.
    - Loans at Sept. 30, 2010, were $3.25 billion, down from $3.61 billion at Sept. 30, 2009, and $3.56 billion at Dec. 31, 2009.
- **Operating results**
    - Revenue for the quarter ended Sept. 30, 2010, amounted to $44.65 million, compared to $42.29 million for the same quarter of last year, an increase of 5.6 percent.
    - Net income available to common stockholders for the third quarter of 2010 was $549,000, compared to the prior year's third quarter net loss available to common stockholders of $4.85 million and second quarter 2010 net loss available to common stockholders of $27.87 million.
- **Credit quality**
    - Net charge-offs were $7.35 million for the three months ended Sept. 30, 2010, compared to $5.23 million for the three months ended Sept. 30, 2009, and $33.46 million for the second quarter of 2010.
    - Allowance for loan losses represented 2.60 percent of total loans at Sept. 30, 2010, compared to 2.61 percent at June 30, 2010, and 2.30 percent at Sept. 30, 2009.
    - Nonperforming loans plus other real estate were 4.60 percent of total loans plus other real estate at Sept. 30, 2010, compared to 4.77 percent at June 30, 2010, and 4.29 percent at Dec. 31, 2009.

- o Past due loans over 30 days, excluding nonperforming loans, were 0.67 percent of total loans at Sept. 30, 2010, compared to 0.66 percent at June 30, 2010, and 0.46 percent at Dec. 31, 2009.

"Although Pinnacle's loan growth mirrors the industry's weak loan demand, over time we believe our Tennessee markets will outperform the rest of the country for business expansions, corporate relocations and job growth," Turner said. "Recent expansion and relocation announcements included additions in the tourism, hospitality and automotive manufacturing sectors. Recent unemployment statistics for both Nashville and Knoxville reflect improvement from the highs experienced during the second quarter of last year. Improving employment prospects in our target markets should help to foster increased loan demand."

The following is a summary of the activity in various nonperforming asset and restructured accruing loan categories for the quarter ended Sept. 30, 2010:

(in thousands)	**Balances June 30, 2010**	**Payments, Sales and Reductions**	**Transfers**	**Inflows**	**Balances Sept. 30, 2010**
Restructured accruing loans:					
Residential construction and development	$ 223	$ (223)	$ -	$ -	$ -
Other	10,638	(10)	-	2,840	13,468
Totals	10,861	(233)	-	2,840	13,468
Nonperforming loans:					
Residential construction and development	40,108	(5,105)	(11,415)	6,308	29,896
Other	78,223	(13,662)	(19,027)	27,697	73,231
Totals	118,331	(18,767)	(30,442)	34,005	103,127
Other real estate:					
Residential construction and development	29,324	(7,483)	11,415	-	33,256
Other	13,292	(16,865)	19,027	-	15,454
Totals	42,616	24,348)	30,442	-	48,710
Total nonperforming assets and restructured accruing loans	$ 171,808	$ (43,348)	$ -	$ 36,845	$ 165,305

REVENUE

- Net interest income for the third quarter of 2010 was $36.06 million, compared to $34.55 million for the same quarter last year, an increase of 4.4 percent.
  - o Net interest margin for the third quarter of 2010 was 3.23 percent, compared to 3.05 percent for the same period last year.
- Noninterest income for the third quarter of 2010 and 2009 was $8.59 million and $7.74 million, respectively.

"Given the level of liquidity we maintained in the third quarter as a result of continued growth in core deposits, we are pleased with our margin performance during the third quarter," said Harold R. Carpenter, Pinnacle's chief financial officer. "Our goal is gradual reduction in liquidity as well as capitalizing on continued deposit repricing over the next few quarters, both of which should benefit our margins and net interest income."

The increase in net interest income was primarily attributable to better yields on loans as the impact of interest reversals on new nonaccruing loans was less in the third quarter of 2010 compared to the second quarter, as well as continued growth in less expensive funding sources. The continued funding shift from time deposits to money market accounts contributed to the increase in net interest income during the third quarter of 2010 compared to the same quarter last year.

Excluding securities gains of $2.26 million in the second quarter of 2010, third quarter 2010 fee income was approximately 3.4 percent higher than the second quarter of 2010 primarily due to increased mortgage originations and the resulting gains on the sales of those loans into the secondary markets.

NONINTEREST EXPENSE

- Noninterest expense for the quarter ended Sept. 30, 2010, was $37.77 million, compared to $36.49 million in the second quarter of 2010 and $27.28 million in the third quarter of 2009.
- Compensation expense was $16.07 million during the third quarter of 2010, compared to $15.85 million during the second quarter of 2010 and $14.25 million during the third quarter of 2009.
- Included in noninterest expense for the third quarter of 2010 was $8.52 million in other real estate expenses, compared to $1.3 million in the third quarter of 2009. Second quarter 2010 other real estate expense was approximately $7.41 million.

Excluding the impact of other real estate expenses, the third quarter of 2010 noninterest expense was approximately $29.25 million, compared to $29.08 million in the second quarter of 2010, a slight increase. Carpenter also noted that with the opening of its new 100 Oaks office in April 2010, the firm's distribution system was substantially complete in the Nashville

MSA. With respect to Knoxville, the firm has preliminary plans to construct one more facility over the next two years.

WEBCAST AND CONFERENCE CALL INFORMATION

Pinnacle will host a webcast and conference call at 8:30 a.m. (CST) on Wednesday, Oct. 20, 2010, to discuss third quarter 2010 results and other matters. To access the call for audio only, please call 1-877-602-7944. For the presentation and streaming audio, please access the webcast on the investor relations page of Pinnacle's website at www.pnfp.com.

For those unable to participate in the webcast, the webcast will be archived on the investor relations page of Pinnacle's website at www.pnfp.com for 90 days following the presentation.

Pinnacle Financial Partners provides a full range of banking, investment, mortgage and insurance products and services designed for small- to mid-sized businesses and their owners, real estate professionals and individuals interested in a comprehensive relationship with their financial institution. Comprehensive wealth management services, such as financial planning and trust, help clients increase, protect and distribute their assets.

The firm began operations in a single downtown Nashville location in Oct. 2000 and has since grown to over $4.96 billion in assets at Sept. 30, 2010. In 2007, Pinnacle launched an expansion into Knoxville, Tennessee. At Sept. 30, 2010, Pinnacle is the second-largest bank holding company headquartered in Tennessee, with 31 offices in eight Middle Tennessee counties and three in Knoxville. The firm was also added to Standard & Poor's SmallCap 600 index in 2009.

Additional information concerning Pinnacle can be accessed at www.pnfp.com.

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Certain of the statements in this release may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The words "expect," "anticipate," "goal," "objective," "intend," "plan," "believe," "should," "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. All forward-looking statements are subject to risks, uncertainties and other factors that may cause the actual results, performance or achievements of Pinnacle Financial to differ materially from any results expressed or implied by such forward-looking statements. Such factors include, without limitation, (i) deterioration in the financial condition of borrowers resulting in significant increases in loan losses and provisions for those losses; (ii) continuation of the historically low short-term interest rate environment; (iii) the continued reduction of Pinnacle Financial's loan balances, and conversely, the inability of Pinnacle Financial to ultimately grow its loan portfolio in the Nashville-Davidson-Murfreesboro-Franklin MSA and the Knoxville MSA; (iv) changes in loan underwriting, credit review or loss reserve policies associated with economic conditions, examination conclusions, or regulatory developments; (v) increased competition with other financial institutions; (vi) greater than anticipated deterioration or lack of sustained growth in the national or local economies including the Nashville-Davidson-Murfreesboro-Franklin MSA and the Knoxville MSA, particularly in commercial and residential real estate markets; (vii) rapid fluctuations or unanticipated changes in interest rates; (viii) the results of regulatory examinations; (ix) the development of any new market other than Nashville or Knoxville; (x) a merger or acquisition; (xi) any matter that would cause Pinnacle Financial to conclude that there was impairment of any asset, including intangible assets; (xii) the impact of governmental restrictions on entities participating in the Capital Purchase Program, of the U.S. Department of the Treasury (the "Treasury"); (xiii) further deterioration in the valuation of other real estate owned; (xiv) inability to comply with regulatory capital requirements and to secure any required regulatory approvals for capital actions; and (xv) changes in state and federal legislation, regulations or policies applicable to banks and other financial service providers, including regulatory or legislative developments arising out of current unsettled conditions in the economy, including implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act; and (xvi) Pinnacle Financial recording a further valuation allowance related to its deferred tax asset. A more detailed description of these and other risks is contained in Pinnacle Financial's most recent annual report on Form 10-K filed with the Securities and Exchange Commission on February 26, 2010 and most recent quarterly reports on Form 10-Q filed with the Securities and Exchange Commission on May 7, 2010 and July 21, 2010. Many of such factors are beyond Pinnacle Financial's ability to control or predict, and readers are cautioned not to put undue reliance on such forward-looking statements. Pinnacle Financial disclaims any obligation to update or revise any forward-looking statements contained in this release, whether as a result of new information, future events or otherwise.