



**Howe Barnes Investments, Inc.
11th Annual Community Bank Conference**

Safe Harbor Statements

Forward looking statements

Certain of the statements in this presentation 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," "intend," "plan," "believe," "seek," "estimate" and similar expressions are intended to identify such forward-looking statements, but other statements not based on historical information may also be considered forward-looking including statements about the benefits of the merger to Pinnacle and Cavalry, future financial and operating results and Pinnacle's plans, objectives and intentions. All forward-looking statements are subject to risks, uncertainties and other facts that may cause the actual results, performance or achievements of Pinnacle to differ materially from any results expressed or implied by such forward-looking statements. Such factors include, among others, the risk that the cost savings and any revenue synergies from the merger may be realized or take longer than anticipated, disruption from the merger with customers, suppliers or employee relationships, the risk of successful integration of the two businesses, and the ability to obtain required governmental approvals of the proposed terms and anticipated schedule. Additional factors which could affect the forward looking statements can be found in the Annual Reports on Form 10-K, the Quarterly Reports on Form 10-Q and the Current Reports on Form 8-K of both Pinnacle and Cavalry filed by Pinnacle with the Securities and Exchange Commission and available on the Commission's website (<http://www.sec.gov>). Pinnacle disclaims any obligation to update or revise any forward-looking statements contained in this presentation, whether as a result of new information, future events or otherwise.

Company Profile

- High growth, one-bank holding company
- Headquartered in Nashville, Tennessee
- Market cap – \$33.34 per share = \$512 million
- 5 ½ years old
- Total assets at June 30, 2006 – \$1.99 billion
- Reliable track record of growth and execution
 - \$1.23 billion in organic growth
 - \$766 million in acquisition and good will

Company Profile

Achievements

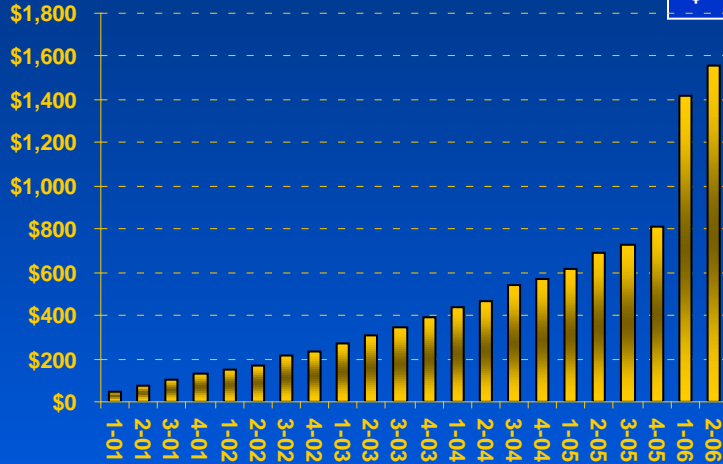
- **Largest, locally-owned financial institution in Nashville**
- **Opened 8 denovo branch offices in 5 years**
- **Retained 95% of associates annually**
- **Acquired Cavalry Bancorp (CAVB)**
 - **\$640 million in tangible assets**
 - **200 associates**
 - **9 full service branch offices**

Company Profile

Reliable Track Record

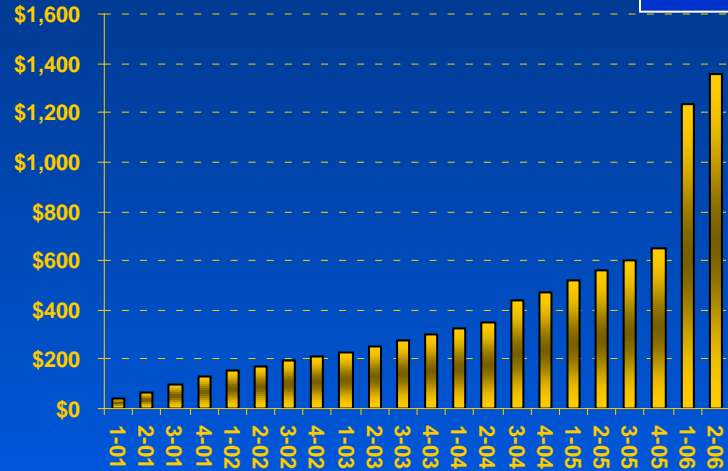
Total Deposits (EOP)

\$1.56B



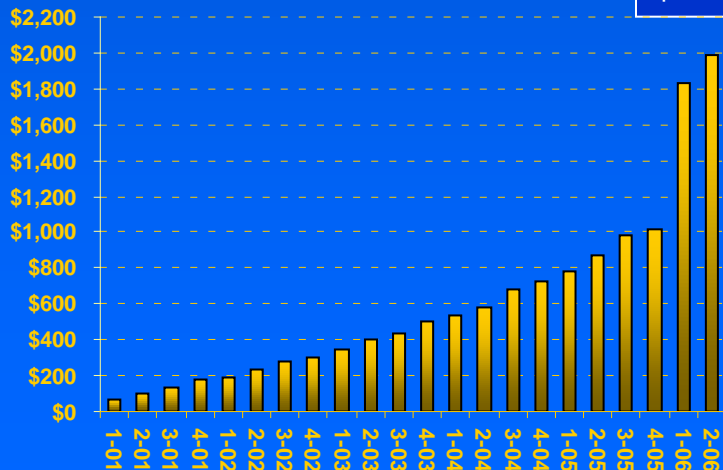
Total Loans (EOP)

\$1.36B



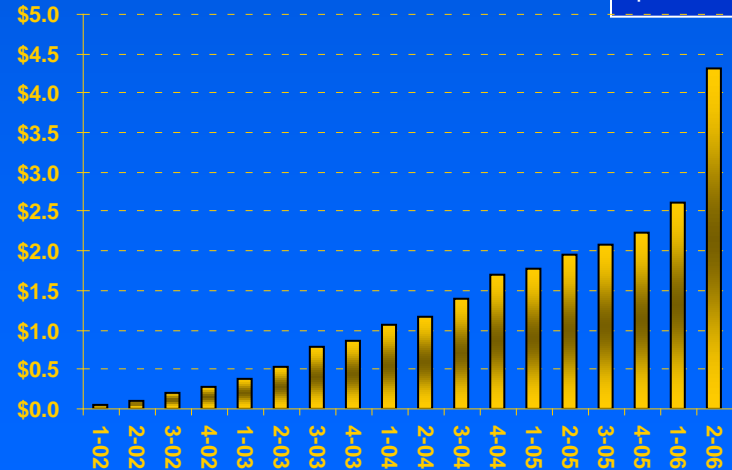
Total Assets (EOP)

\$1.99B



Net Income

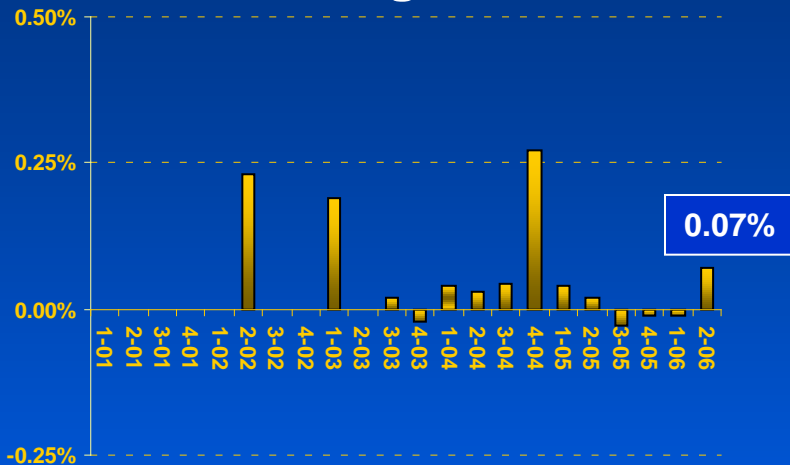
\$4.32M



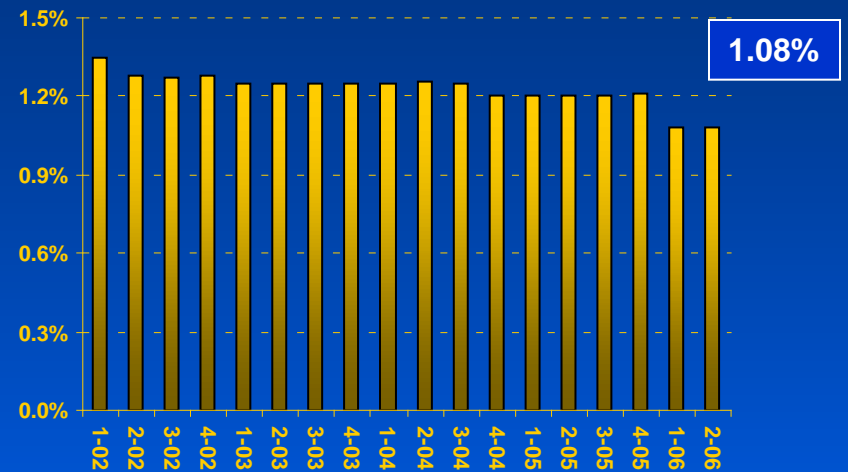
Company Profile

Reliable Track Record

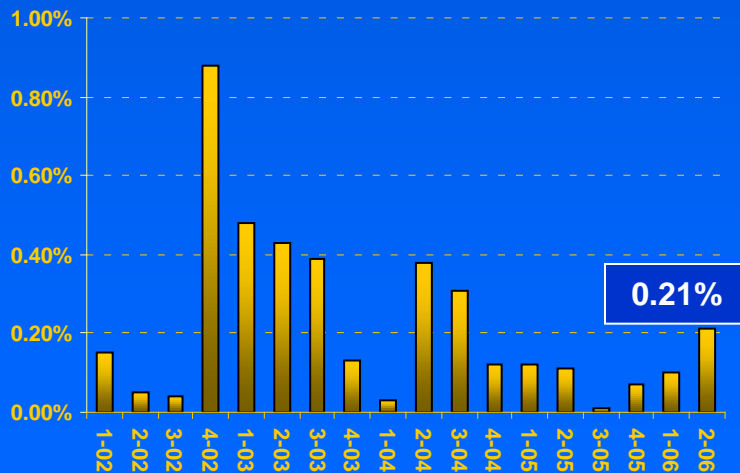
Net Charge Offs



Allowance to Total Loans (EOP)

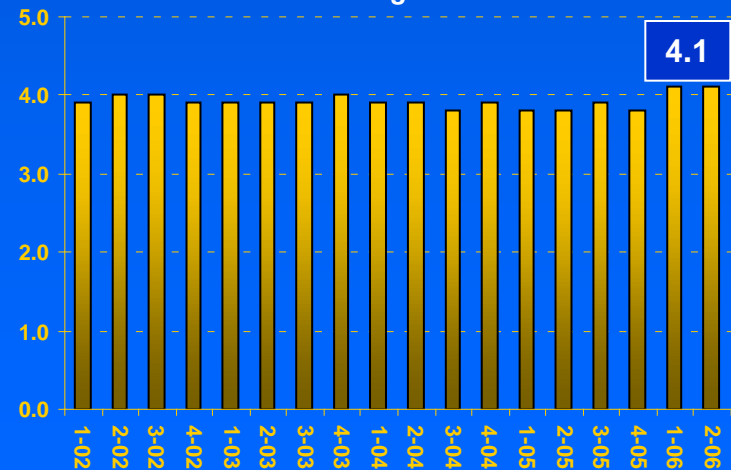


Non Accrual Loans to Total Loans



Weighted Average Commercial Loan Risk Rating

10 point scale: 1 through 6 = "pass" credits
7 through 10 = criticized / classified



Valuation Summary

June 30, 2006

Tangible book equity	\$110,449,000
Shares outstanding	15,370,000
Tangible book value	\$7.19

August 10, 2006

Closing price	\$33.34
Price to tangible book	4.6x
Price to TTM actual FDEPS (\$1.03 per share) *	32
Price to 2006 projected FDEPS (\$1.25 per share) *	27

(*) Excludes impact of merger related expenses of \$1.4 million incurred during the first six months of 2006, or approximately \$0.06 per fully diluted share.

Valuation Summary

Analysts' Forecasts for 06 & 07 Earnings Growth

		LATEST REVIEW				12-Month PRICE TARGET
		Earnings Targets			RATING	
<u>FIRM</u>	<u>DATE</u>	<u>3Q06</u>	<u>2006</u>	<u>2007</u>	<u>RATING</u>	
Howe Barnes	20-Jul-06	\$ -	\$ 1.24	\$ 1.54	OUTPERFORM	\$ 36
FTN Midwest Research	19-Jul-06	\$ 0.33	\$ 1.25	\$ 1.57	BUY	\$ 35
KeyBanc	19-Jul-06	\$ 0.32	\$ 1.25	\$ 1.55	BUY	\$ 37
Raymond James	19-Jul-06	\$ 0.32	\$ 1.24	\$ 1.60	STRONG BUY	\$ 36
Sidoti & Company	7-Aug-06	\$ 0.33	\$ 1.25	\$ 1.59	BUY	\$ 41
Stanford Group	19-Jul-06	\$ 0.32	\$ 1.23	\$ 1.55	BUY	\$ 33
Stifel Nicolaus	19-Jul-06	\$ 0.31	\$ 1.24	\$ 1.59	BUY	\$ 35
SunTrust RH	19-Jul-06	\$ 0.32	\$ 1.24	\$ 1.52	NEUTRAL	

Median **\$ 0.320** **\$ 1.245** **\$ 1.560**

\$ 36

Median growth rates 46% 25%

Valuation Summary

High Growth Peer Group Comparisons

Company	Closing Price on August 10, 2006	FD EPS CAGR for two year period ended December 2006	August 10 Close to 2006 Projected EPS (P/E)	P/E Ratio to Growth PEG
Wintrust	\$ 48.52	15%	15.8	1.07
East West	\$39.54	24%	17.3	0.73
Alabama National	\$66.76	11%	16.0	1.45
CVB Financial	\$14.39	1 %	14.1	NM
Boston Private	\$25.01	15%	15.9	1.04
Private Bancorp	\$43.86	19%	23.7	1.23
CoBiz	\$22.64	16%	21.6	1.35
Mercantile Bank	\$39.41	17%	15.3	0.87
Vinyard National	\$27.55	29%	31.7	1.11
Virginia Commerce	\$23.01	19%	12.2	0.64
Cardinal Financial	\$10.48	62%	23.8	0.38
Enterprise Financial	\$27.10	27%	25.8	0.96
AVERAGES		21%	19.4	0.98
Pinnacle	\$ 33.34	43%	26.9	0.63

Excellent value based on asset and earnings growth profile

* Source: SNL Quarterly Bank Digest, June 2006 – Yahoo. COM

Growth Opportunity

The Nashville Market

- *Large, fast growing, metropolitan market*

Vulnerable Competition

- *Extremely attractive competitive landscape*

Strategy for Continued Rapid Growth

- *Leverage existing capacity*
- *Continue to add capacity*

Growth Opportunity

Nashville - large, fast growing metropolitan market

Current Size and Growth Dynamics

Size

- **38th largest MSA**
- **1.5 million population**
- **\$25 billion deposits**

Growth

- **18th fastest growing population**
- **4th fastest growing per capita income**

Source: U.S. Census, FDIC

Growth Opportunity

Nashville - large, fast growing metropolitan market

Future Growth Predictors

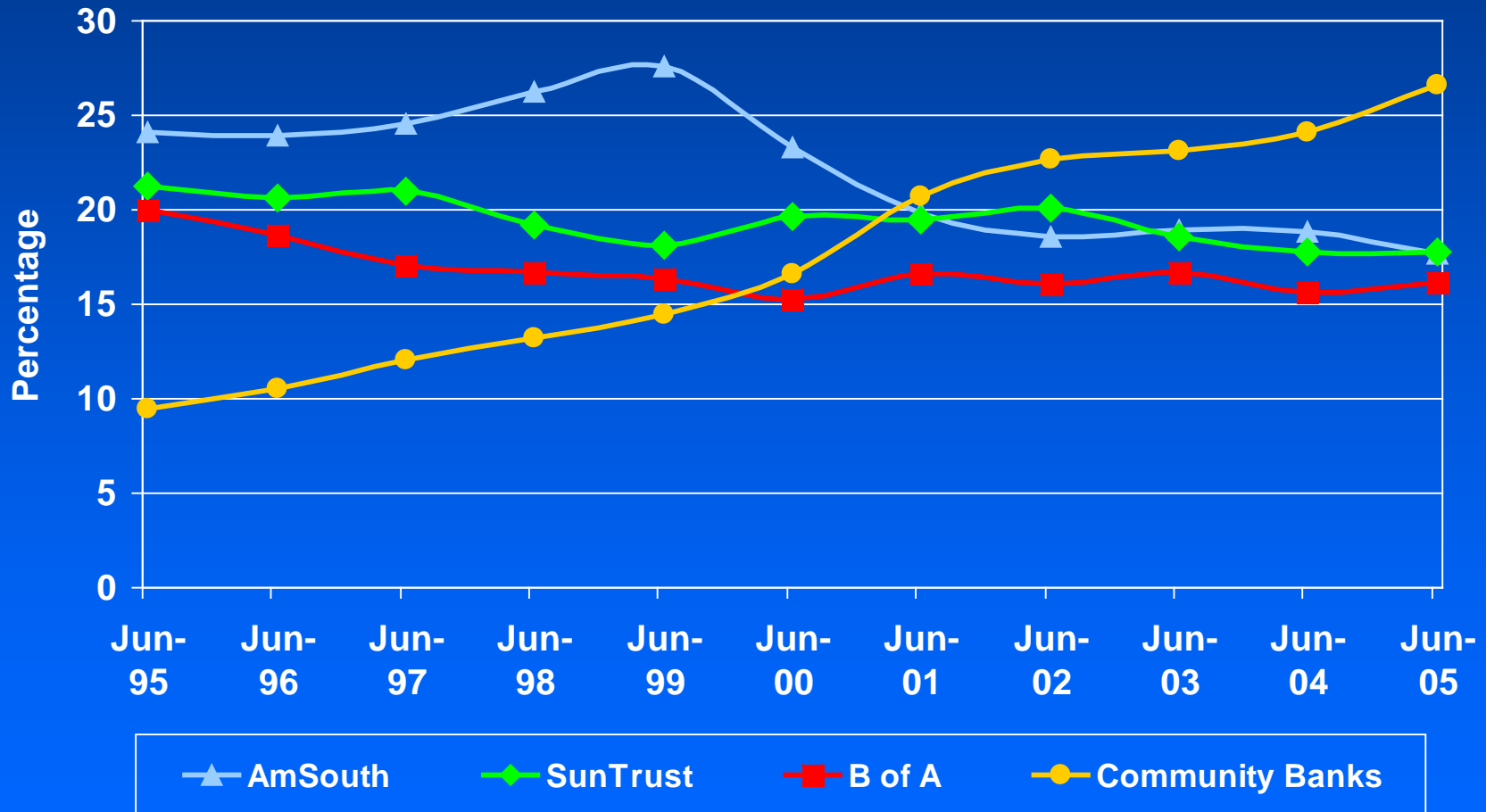
- America's hottest market (for relocating or expanding)
- #1 for Smart Places to Live
- Top 10 city for business and careers
- Hottest headquarters MSA for the 21st century
- Top 10 economic development agency
- Five star city for logistics
- Top 10 digital city
- Least costly city for businesses
- America's friendliest city

Source: Site Selection, Business Facilities, Expansion Management, Southern Business and Development, KPMG, Black Enterprise, Travel & Leisure / Travel Channel, Forbes, Kiplinger's

Growth Opportunity

Extremely attractive competitive landscape

Deposit Market Share Trends in the Nashville MSA



Source: FDIC

Growth Opportunity

Extremely attractive competitive landscape

Market Share – Nashville MSA – June 2005

<u>Rank</u>	<u>Institution</u>	<u>Total Deposits (\$000)</u>	<u>Total Share (%)</u>	<u>2005 Share Growth</u>
1	AmSouth / Regions	\$ 6,102,062	24.21%	(1.15)
2	SunTrust Bank	4,479,997	17.77%	(0.06)
3	Bank of America	4,091,501	16.23%	0.66
4	First Tennessee Bank	1,276,541	5.06%	0.50
5	<i>Proforma Pinnacle and Cavalry</i>	<i>1,206,572</i>	<i>4.79%</i>	<i>0.88</i>
6	Fifth Third Bank	908,257	3.60%	0.06
7	US Bank	903,409	3.58%	(0.11)

Growth Opportunity

Leverage existing capacity

- Significant room to grow market share in Nashville (<5%)
- Existing sales force should produce \$1 billion more in assets by 2008

Growth Opportunity

Add Capacity

- Increase in the number of branch offices
- Increase in the number of Financial Advisors
- Urban community bank with significant potential for market extension



Why Pinnacle?

- **Reliable track record for growth and execution**
- **Large, rapidly-growing metropolitan market**
- **Extremely attractive competitive landscape**
- **Existing capacity should yield \$1 billion in assets**
- **Continued addition of new markets and people**
- **Strong asset quality**

