FOR IMMEDIATE RELEASE

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PINNACLE FINANCIAL EXPANDS PROFITABILITY IN FOURTH QUARTER 2010

NASHVILLE, Tenn., Jan. 18, 2011 – Pinnacle Financial Partners, Inc. (Nasdaq/NGS: PNFP) today reported that its net income per fully diluted common share available to common stockholders was $0.07 for the quarter ended Dec. 31, 2010, compared to net loss per fully diluted common share available to common stockholders of $0.12 for the quarter ended Dec. 31, 2009. Pinnacle also reported a net loss per fully diluted common share available to common stockholders of $0.93 for the year ended Dec. 31, 2010, compared to a net loss per fully diluted common share available to common stockholders of $1.46 for the year ended Dec. 31, 2009.

"Fiscal year 2010 has been a transition year for Pinnacle with two critical priorities - aggressively dealing with credit issues and improving the core earnings capacity of the firm," said M. Terry Turner, Pinnacle's president and chief executive officer. "During the fourth quarter, we saw continued meaningful progress on both priorities. We anticipate we will continue to focus on these two critical priorities in 2011 as well as directing our sales force with increasing energy to gather new small and middle market business clients in middle and east Tennessee."

Aggressively Dealing with Credit Issues

- Reduced nonperforming loans by $22.3 million during the fourth quarter, a linked-quarter reduction of 22 percent and the third consecutive quarterly reduction.

- Reduced criticized and classified assets by $34 million during the fourth quarter, a linked-quarter reduction of 6.5 percent and the third consecutive quarter of net reductions.
- Resolved $37.3 million in nonperforming assets during the fourth quarter, with resolutions of more than $180.0 million during 2010.
- At Dec. 31, 2010, OREO constitutes approximately 42 percent of NPA's, generally higher than peers, and is reflective of Pinnacle's commitment to aggressively deal with problem loans. The average age of the portfolio is 141 days, which approximates the 143 days at Sept. 30, 2010.
- Nonperforming loan inflows decreased from $34.0 million in the third quarter of 2010 to $25.9 million during the fourth quarter of 2010.
- Reduced exposure to construction and land development loans from $359.7 million at Sept. 30, 2010, to $331.3 million at Dec. 31, 2010, a linked-quarter decrease of 7.9 percent.

Expanding the Core Earnings Capacity of the Firm

- Net interest margin increased to 3.29 percent for the quarter ended Dec. 31, 2010, from 3.19 percent for the quarter ended Dec. 31, 2009. Net interest margin for the quarter ended Sept. 30, 2010, was 3.23 percent. Noninterest income was $8.67 million in the fourth quarter of 2010, compared to $8.59 million in the third quarter of 2010 and $8.18 million in the fourth quarter of 2009.
- The efficiency ratio was 81.5 percent for the fourth quarter of 2010. The efficiency ratio, excluding OREO expenses, improved to 63.9 percent during the fourth quarter, the fourth consecutive quarterly improvement in "core efficiency."
- Growth in core deposits of 4.3 percent during the fourth quarter compared to the third quarter of 2010 and 20.5 percent for the full year, is reflective of the firm's appeal to small and mid-size business in its markets. Average balances of noninterest bearing deposit accounts were $576 million in the fourth quarter of 2010, an increase of 7.8 percent over third quarter 2010 average balances.

"The single largest opportunity for us to improve our core earnings capacity is to expand our net interest margin. During the fourth quarter of 2010, we successfully expanded the net interest margin to 3.29 percent, and we expect continued margin expansion in 2011," Turner said. "Additionally, Greenwich Research recently recognized Pinnacle for having achieved national distinction for overall client satisfaction among business clients. It is our intent to capitalize on our 'best-in-class' reputation to responsibly grow our loans to small business and middle market customers. In fact, during the fourth quarter, we produced net loan growth of $32.1 million in commercial and industrial loans and owner-occupied commercial real estate loans. Our ability to increase commercial loan volumes and our net interest margin should result in continued growth in core earnings over the long term."

FOURTH QUARTER 2010 HIGHLIGHTS:

- **Balance sheet**
  - Core deposits amounted to $3.12 billion at Dec. 31, 2010, an increase of 20.5 percent from the $2.59 billion at Dec. 31, 2009. Core deposits increased by $129 million during the fourth quarter of 2010.
  - Total deposits at Dec. 31, 2010, remained steady at $3.83 billion as compared to $3.82 billion at Dec. 31, 2009, and $3.83 billion at Sept. 30, 2010.
  - Loans at Dec. 31, 2010, were $3.21 billion, down from $3.25 billion at Sept. 30, 2010, and $3.56 billion at Dec. 31, 2009.
- **Operating results**
  - Revenue for the quarter ended Dec. 31, 2010, amounted to $44.72 million, compared to $44.65 million for the third quarter of 2010 and $45.20 million for the same quarter of last year.
  - Net income available to common stockholders for the fourth quarter of 2010 was $2.25 million, compared to the prior year's fourth quarter net loss available to common stockholders of $3.98 million. Third quarter 2010 net income available to common stockholders totaled $549,000.
- **Capital**
  - At Dec. 31, 2010, and Dec. 31, 2009, Pinnacle's ratio of tangible common stockholders' equity to tangible assets was 7.1 percent and 7.3 percent, respectively. Pinnacle's tangible book value per common share was $9.80 at Dec. 31, 2010, compared to $10.71 at Dec. 31, 2009. Book value per

common share was $17.22 and $18.41 at Dec. 31, 2010, and Dec. 31, 2009, respectively.

  - At Dec. 31, 2010, Pinnacle Financial's total risk-based capital ratio was 15.2 percent, compared to 14.8 percent at Dec. 31, 2009.

- **Credit quality**
  - Net charge-offs were $7.15 million for the three months ended Dec. 31, 2010, compared to $6.72 million for the three months ended Dec. 31, 2009, and $7.35 million for the third quarter of 2010.
  - The allowance for loan losses represented 2.57 percent of total loans at Dec. 31, 2010, compared to 2.60 percent at Sept. 30, 2010, and 2.58 percent at Dec. 31, 2009.
  - Nonperforming loans plus other real estate were 4.29 percent of total loans plus other real estate at Dec. 31, 2010, compared to 4.60 percent at Sept. 30, 2010, and 4.29 percent at Dec. 31, 2009.
  - Past due loans over 30 days, excluding nonperforming loans, were 0.30 percent of total loans at Dec. 31, 2010, compared to 0.67 percent at Sept. 30, 2010, and 0.46 percent at Dec. 31, 2009.

The following is a summary of the activity in various nonperforming asset and restructured accruing loan categories for the quarter ended Dec. 31, 2010:

(in thousands)	**Balances Sept. 30, 2010**	**Payments, Sales and Reductions**	**Transfers**	**Inflows**	**Balances Dec. 31, 2010**
Restructured accruing loans:					
Residential construction and development	$ -	$ -	$ -	$ -	$ -
Commercial construction and development	-	-	-	-	-
Other	13,468	(1,008)	-	8,008	20,468
Totals	13,468	(1,008)	-	8,008	20,468
Nonperforming loans:					
Residential construction and development	21,513	(3,940)	(3,792)	2,054	15,835
Commercial construction and development	33,444	(3,368)	(11,969)	9,572	27,679
Other	48,170	(16,708)	(8,372)	14,259	37,349
Totals	103,127	(24,016)	(24,133)	25,885	80,863
Other real estate:					
Residential construction and development	21,479	(6,556)	3,792	-	18,715
Commercial construction and development	20,260	(5,505)	11,969	-	26,724
Other	6,971	(1,174)	8,372	-	14,169
Totals	48,710	(13,235)	24,133	-	59,608
Total nonperforming assets and restructured accruing loans	$ 165,305	$ (38,259)	$ -	$ 33,893	$ 160,939

REVENUE

- Net interest income for the fourth quarter of 2010 was $36.06 million, compared to $36.06 million for the third quarter 2010 and $37.03 million for the same quarter last year.
- Noninterest income for the fourth quarters of 2010 and 2009 was $8.67 million and $8.18 million, respectively.

"We were pleased with our margin expansion during the fourth quarter," said Harold R. Carpenter, Pinnacle's chief financial officer. "We experienced fewer inflows of nonperforming loans, which served to reduce the amount of reversed interest for the fourth quarter. It is our intent to gradually increase loan originations and capitalize on continued deposit repricing over the next few quarters, both of which should benefit our margins and net interest income."

Carpenter also noted that although the pace at which loan balances decreased during the quarter was significantly less than the last few quarters, the firm's immediate goal was to reverse the trend and begin to grow total loans at a reasonable rate within the next few quarters. Carpenter stated that the firm has initiatives aimed at intensifying its sales efforts to small business and middle market segments in middle and east Tennessee.

NONINTEREST EXPENSE & TAXES

- Noninterest expense for the quarter ended Dec. 31, 2010, was $36.45 million, compared to $37.77 million in the third quarter of 2010 and $35.45 million in the fourth quarter of 2009.
- Compensation expense was $15.71 million during the fourth quarter of 2010, compared to $16.07 million during the third quarter of 2010 and $15.04 million during the fourth quarter of 2009.
- Included in noninterest expense for the fourth quarter of 2010 was $7.87 million in other real estate expenses, compared to $8.39 million in the fourth quarter of 2009. Third quarter 2010 other real estate expense was approximately $8.52 million.

Excluding the impact of OREO expenses, the fourth quarter of 2010 noninterest expense was approximately $28.58 million, a slight decrease compared to $29.25 million in the third quarter of 2010. Carpenter also noted that in 2011 the firm would again see its noninterest expense run rate increase in the first quarter due to additional compensation costs related to annual merit raises and employment benefits increases including 2011 incentive award accruals.

Other real estate expense was $7.9 million during the fourth quarter of 2010, of which $124,000 was attributable to losses on the disposition of those assets and $6.1 million was attributable to additional write downs of existing balances based on updated appraisals.

The firm recognized an income tax benefit of $697,000, or approximately $0.02 per fully diluted share, during the quarter ended Dec. 31, 2010, due to reductions in net deferred tax asset balances for which the related valuation allowance was no longer required. Carpenter noted that the net deferred tax asset valuation allowance account was $22.5 million at Dec. 31, 2010, and that further quarterly adjustments to the account were likely based on changes to the net deferred tax asset balance. Those adjustments, whether increases or decreases, will impact future fully diluted earnings per share as well as other comprehensive income (loss) until the current valuation allowance is eliminated.

WEBCAST AND CONFERENCE CALL INFORMATION

Pinnacle will host a webcast and conference call at 8:30 a.m. (CST) on Wednesday, Jan. 19, 2011, to discuss fourth 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, it 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 $4.91 billion in assets at Dec. 31, 2010. In 2007, Pinnacle launched an expansion into Knoxville, Tennessee. At Dec. 31, 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, July 21, 2010, and October 20, 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.

PINNACLE FINANCIAL PARTNERS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS – UNAUDITED

	December 31, 2010	December 31, 2009
ASSETS		
Cash and noninterest-bearing due from banks	$ 40,154,247	$ 55,651,737
Interest-bearing due from banks	140,647,481	19,338,499
Federal funds sold and other	7,284,685	41,611,838
Short-term discount notes	499,768	50,000,000
Cash and cash equivalents	188,586,181	166,602,074
Securities available-for-sale, at fair value	1,014,316,831	931,012,091
Securities held-to-maturity (fair value of $4,411,856 and $6,737,336 at December 31, 2010 and December 31, 2009, respectively)	4,320,486	6,542,496
Mortgage loans held-for-sale	16,206,034	12,440,984
Loans	3,212,440,190	3,563,381,741
Less allowance for loan losses	(82,575,235)	(91,958,789)
Loans, net	3,129,864,955	3,471,422,952
Premises and equipment, net	82,374,228	80,650,936
Other investments	42,282,255	40,138,660
Accrued interest receivable	16,364,573	19,083,468
Goodwill	244,090,311	244,107,086
Core deposit and other intangible assets	10,705,105	13,686,091
Other real estate owned	59,608,224	29,603,439
Other assets	100,284,697	113,520,727
Total assets	$ 4,909,003,880	$ 5,128,811,004
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Noninterest-bearing	$ 586,516,637	$ 498,087,015
Interest-bearing	573,670,188	483,273,551
Savings and money market accounts	1,596,306,386	1,198,012,445
Time	1,076,564,179	1,644,226,290
Total deposits	3,833,057,390	3,823,599,301
Securities sold under agreements to repurchase	146,294,379	275,465,096
Federal Home Loan Bank advances	121,393,026	212,654,782
Subordinated debt	97,476,000	97,476,000
Accrued interest payable	5,197,925	6,555,801
Other liabilities	28,127,875	12,039,843
Total liabilities	4,231,546,595	4,427,790,823
Stockholders' equity:		
Preferred stock, no par value; 10,000,000 shares authorized; 95,000 shares issued and outstanding at December 31, 2010 and December 31, 2009	90,788,682	89,462,633
Common stock, par value $1.00; 90,000,000 shares authorized; 33,870,380 issued and outstanding at December 31, 2010 and 33,029,719 issued and outstanding at December 31, 2009	33,870,380	33,029,719
Common stock warrants	3,348,402	3,348,402
Additional paid-in capital	530,829,019	524,366,603
Retained earnings	12,996,202	43,372,743
Accumulated other comprehensive income, net of taxes	5,624,600	7,440,081
Stockholders' equity	677,457,285	701,020,181
Total liabilities and stockholders' equity	$ 4,909,003,880	$ 5,128,811,004

This information is preliminary and based on company data available at the time of the presentation.