

Pinnacle Financial Partners Announces Agreement to Acquire BNC Bancorp



January 23, 2017

Safe Harbor Statements

Forward Looking Statements

All statements, other than statements of historical fact, included in this communication, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, 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 to Pinnacle Financial Partners, Inc. (“Pinnacle Financial”) and BNC Bancorp (“BNC”) of the proposed merger, Pinnacle Financial’s and BNC’s future financial and operating results (including the anticipated impact of the merger on Pinnacle Financial’s and BNC’s earnings and tangible book value) and Pinnacle Financial’s and BNC’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 Financial and BNC to differ materially from any results expressed or implied by such forward-looking statements. Such factors include, among others:

- deterioration in the financial condition of borrowers resulting in significant increases in loan losses and provisions for those losses;
- continuation of the historically low short-term interest rate environment;
- the inability of Pinnacle Financial, or entities in which it has significant investments, like Bankers Healthcare Group, LLC (“BHG”), to maintain the historical growth rate of its, or those entities’, loan portfolio;
- changes in loan underwriting, credit review or loss reserve policies associated with economic conditions, examination conclusions, or regulatory developments;
- effectiveness of Pinnacle Financial’s asset management activities in improving, resolving or liquidating lower-quality assets;
- increased competition with other financial institutions;
- greater than anticipated adverse conditions in the national or local economies including the Nashville-Davidson-Murfreesboro-Franklin Metropolitan Statistical Area, or MSA, the Knoxville MSA, the Chattanooga, TN-GA MSA and the Memphis, TN-MS-AR MSA, particularly in commercial and residential real estate markets;
- rapid fluctuations or unanticipated changes in interest rates on loans or deposits;
- the results of regulatory examinations;
- the ability to retain large, uninsured deposits;
- a merger or acquisition like the proposed merger with BNC;
- risks of expansion into new geographic or product markets, like the proposed expansion into certain MSAs in the states of North Carolina, South Carolina and Virginia in connection with the proposed BNC merger;
- any matter that would cause Pinnacle Financial to conclude that there was impairment of any asset, including intangible assets;
- reduced ability to attract additional financial advisors (or failure of those advisors to cause their clients to switch to Pinnacle Bank), to retain financial advisors or otherwise to attract customers from other financial institutions;
- further deterioration in the valuation of other real estate owned and increased expenses associated therewith;
- inability to comply with regulatory capital requirements, including those resulting from changes to capital calculation methodologies and required capital maintenance levels;
- risks associated with litigation, including the applicability of insurance coverage;
- the risk that the cost savings and any revenue synergies from the proposed BNC merger and Pinnacle Financial’s recently completed mergers may not be realized or take longer than anticipated to be realized;
- disruption from the proposed BNC merger with customers, suppliers or employee or other business partners relationships;
- the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement with BNC;
- the risk of successful integration of BNC’s business and the businesses Pinnacle Financial recently acquired with Pinnacle Bank’s business;
- the failure to obtain the necessary approvals from BNC’s or Pinnacle Financial’s shareholders in connection with the BNC merger;
- the amount of the costs, fees, expenses and charges related to the BNC merger;
- the ability to obtain required government approvals of the proposed terms of the BNC merger;
- reputational risk and the risk of adverse reaction of our, Pinnacle Bank’s, BNC’s and BNC Bank’s customers suppliers, employees or other business partners to the proposed BNC merger;
- the failure of the closing conditions of the BNC merger to be satisfied and any unexpected delay in closing the BNC merger;
- the risk that the integration of our and BNC’s operations and the operations of the companies Pinnacle Financial recently acquired with Pinnacle Bank’s operations will be materially delayed or will be more costly or difficult than expected;
- the possibility that the BNC merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events;
- the dilution caused by the issuance of additional shares of Pinnacle Financial’s common stock in the BNC merger or related to the BNC merger;
- general competitive, economic, political and market conditions;
- approval of the declaration of any dividend by Pinnacle Financial’s board of directors;
- the vulnerability of Pinnacle Bank’s network and online banking portals to unauthorized access, computer viruses, phishing schemes, spam attacks, human error, natural disasters, power loss and other security breaches;
- the possibility of increased compliance costs or modifications to Pinnacle Financial’s business plan or the business plan of entities in which Pinnacle Financial or Pinnacle Bank has made an investment as a result of increased regulatory oversight, including oversight of companies in which Pinnacle Financial or Pinnacle Bank has significant investments, and the development of additional banking products for Pinnacle Bank’s corporate and consumer clients;
- 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 membership interests in BHG decide to sell the company if not prohibited from doing so by the terms of Pinnacle Financial’s and Pinnacle Bank’s agreement with them;
- the possibility that the incremental cost and/or decreased revenues associated with exceeding \$10 billion in assets will exceed current estimates; and
- changes in state and federal legislation, regulations or policies applicable to banks and other financial service providers (like BHG), including regulatory or legislative developments.

Additional factors which could affect the forward looking statements can be found in Pinnacle Financial’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, or BNC’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, in each case filed with the SEC and available on the SEC’s website at <http://www.sec.gov>. Pinnacle Financial and BNC disclaim 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.

Safe Harbor Statements

Additional Information About the Proposed Transaction and Where to Find It

Investors and security holders are urged to carefully review and consider each of Pinnacle's and BNC's public filings with the SEC, including but not limited to their Annual Reports on Form 10-K, their proxy statements, their Current Reports on Form 8-K and their Quarterly Reports on Form 10-Q. The documents filed by Pinnacle with the SEC may be obtained free of charge at Pinnacle's website at www.pnfp.com, under the heading "About Pinnacle" and the subheading "Investor Relations," or at the SEC's website at www.sec.gov. These documents may also be obtained free of charge from Pinnacle by requesting them in writing to Pinnacle Financial Partners, Inc., 150 Third Avenue South, Suite 900, Nashville, Tennessee 37201, Attention: Investor Relations, or by telephone at (615) 744-3700. The documents filed by BNC with the SEC may be obtained free of charge at BNC's website at www.bncbanking.com under the "Investor Relations" section, or at the SEC's website at www.sec.gov. These documents may also be obtained free of charge from BNC by requesting them in writing to BNC Bancorp, 3980 Premier Drive, Suite 210, High Point, North Carolina 27265, Attention: Investor Relations, or by telephone at (336) 869-9200.

In connection with the proposed transaction, Pinnacle intends to file a registration statement on Form S-4 with the SEC which will include a joint proxy statement of BNC and Pinnacle and a prospectus of Pinnacle, and each party will file other documents regarding the proposed transaction with the SEC. Before making any voting or investment decision, investors and security holders of BNC and Pinnacle are urged to carefully read the entire registration statement and joint proxy statement/prospectus, when they become available, as well as any amendments or supplements to these documents and any other relevant documents filed with the SEC, because they will contain important information about the proposed transaction. A definitive joint proxy statement/prospectus will be sent to the shareholders of each institution seeking the required shareholder approvals. Investors and security holders will be able to obtain the registration statement and the joint proxy statement/prospectus free of charge from the SEC's website or from Pinnacle or BNC as described in the paragraphs above.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

Participants in the Solicitation

Pinnacle, BNC, and certain of their directors and executive officers may be deemed participants in the solicitation of proxies from Pinnacle's and BNC's shareholders in connection with the proposed transaction. Information about the directors and executive officers of Pinnacle and their ownership of Pinnacle common stock is set forth in the definitive proxy statement for Pinnacle's 2016 annual meeting of shareholders, as previously filed with the SEC on March 10, 2016, and other documents subsequently filed by Pinnacle with the SEC. Information about the directors and executive officers of BNC and their ownership of BNC common stock is set forth in the definitive proxy statement for BNC's 2016 annual meeting of shareholders, as previously filed with the SEC on April 6, 2016, and other documents subsequently filed by BNC with the SEC. Shareholders may obtain additional information regarding the interests of such participants by reading the registration statement and the joint proxy statement/prospectus when they become available. Free copies of these documents may be obtained as described in the paragraphs above.

Non-GAAP Financial Matters

This presentation also contains certain non-GAAP financial measures for one or both of Pinnacle Financial or BNC, including, without limitation, earnings per diluted share, efficiency ratio, return on average assets, return on average tangible common equity, and tangible common equity to tangible assets, in each case excluding the impact of expenses related to gain or loss on sale of investments, merger-related charges and other matters for the accounting periods presented, the impact of goodwill and core deposit intangibles associated with Pinnacle Financial's and BNC's prior acquisitions or investments and, in the case of BNC, amortization of intangibles, net, loss of extinguishment of debt, insurance settlements,. 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 and BNC each 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 and BNC each believes that the presentation of this information allows investors to more easily compare its results to the results of other companies.

Overview of the Transaction

Strategically Compelling

- ✓ Expands footprint into urban markets in the Carolinas and Virginia
- ✓ Combines two high performing, commercially focused companies
- ✓ Consistent with PNF's articulated M&A strategy

Builds Upon Strengths

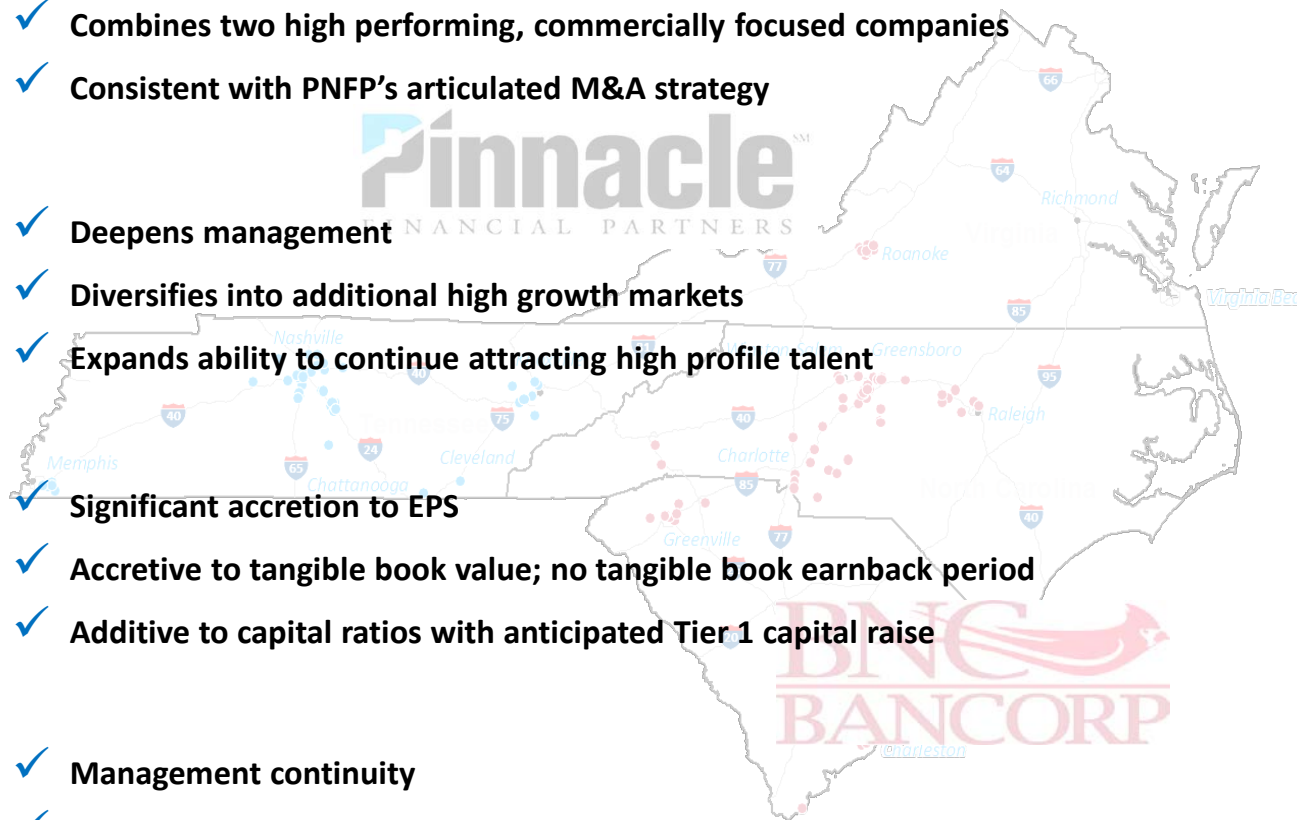
- ✓ Deepens management
- ✓ Diversifies into additional high growth markets
- ✓ Expands ability to continue attracting high profile talent

Financially Attractive

- ✓ Significant accretion to EPS
- ✓ Accretive to tangible book value; no tangible book earnback period
- ✓ Additive to capital ratios with anticipated Tier 1 capital raise

Mitigated Risks

- ✓ Management continuity
- ✓ Both firms have strong credit cultures and exceptional credit metrics
- ✓ Significant acquisition integration experience

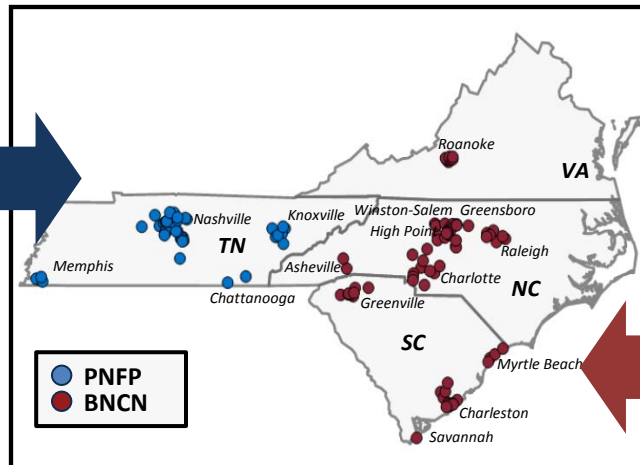


Creating the Premier Southeast Franchise



- \$11.2 billion financial holding company
 - Headquartered in Nashville, TN
 - Founded in 2000
- An urban community bank
 - All the sophistication of a larger regional bank with the hands-on, friendly, personal service associated with a smaller community bank
- Proven ability to grow market share in core markets:
 - Double digit organic loan growth (14% CAGR since 2009) complemented by;
 - ~\$2.7 billion in assets acquired through 3 completed bank acquisitions since start of 2015
- Consistent earnings per share growth and momentum⁽¹⁾
 - 3-year EPS growth: 53%
 - Efficiency ratio of 49.6% in 4Q'16
 - Record revenue in 2016, 38% YoY increase
- One of the “Best Banks to Work For”⁽²⁾

- ✓ Four-state banking footprint across desirable Southeast Markets
- ✓ Meaningful presence in large, high growth, metropolitan markets
- ✓ Combination of two profitable franchises, creating one of the most profitable banks in the country
- ✓ Creates a top 50 U.S. bank by assets
- ✓ One of the most valuable Southeast banking institutions by market capitalization



- \$7.4 billion bank holding company
 - Headquartered in High Point, NC (Greensboro MSA)
 - Founded in 1991
- Footprint covers key locations in North Carolina, South Carolina and Virginia
 - *Charlotte, Winston-Salem, Greensboro & Raleigh, NC*
 - *Greenville & Charleston, SC*
 - *Roanoke, VA*
- Proven ability to grow
 - Double digit organic loan growth (19% CAGR since 2009) complemented by;
 - ~\$2.1 billion in assets acquired through 3 completed bank acquisitions since start of 2015
- Consistent earnings per share growth and momentum⁽¹⁾
 - 3-year EPS growth: 35%
 - Efficiency ratio of 51.7% in 4Q'16
 - 30.0% YoY net loan growth (\$1.2 billion)
- “BNC Bank - 2016 Best Employer”⁽³⁾

Source: SNL Financial; Company Management

(1) EPS and efficiency ratio are operating results, a Non-GAAP measure. Refer to appendix for GAAP to Non-GAAP reconciliation

(2) According to American Banker

(3) According to Business North Carolina & the South Carolina Chamber of Commerce

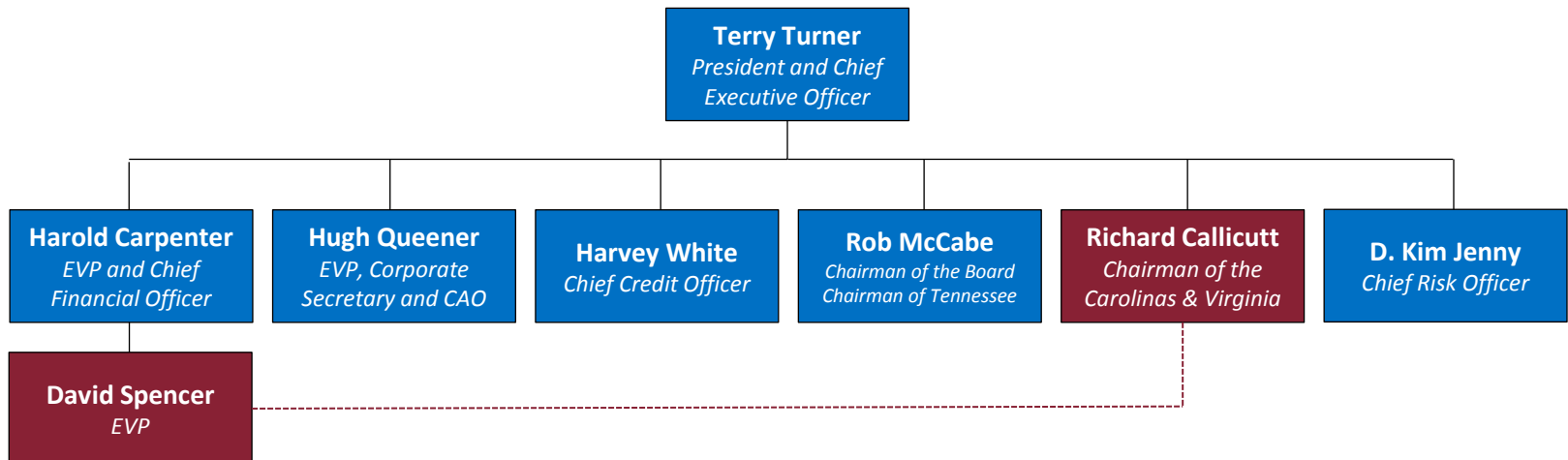
Our Combined Leadership Team



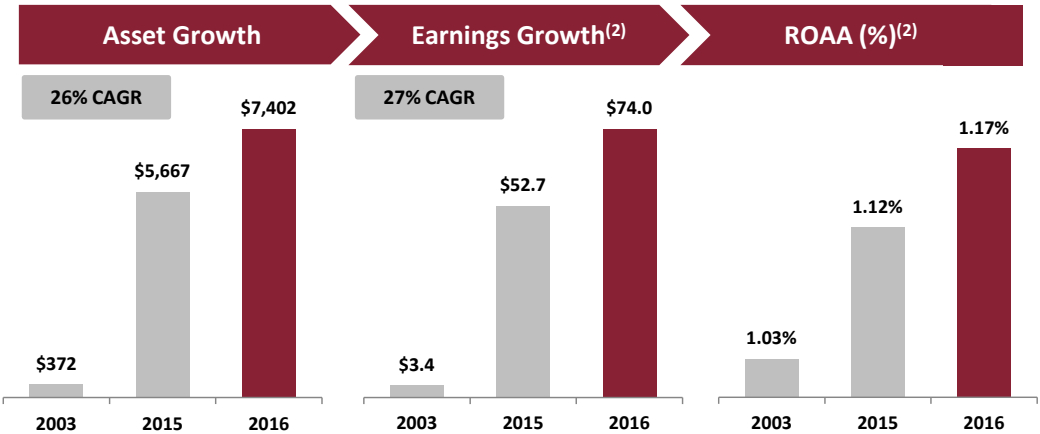
Board of Directors



Executive Leadership



BNCN – Proven Track Record

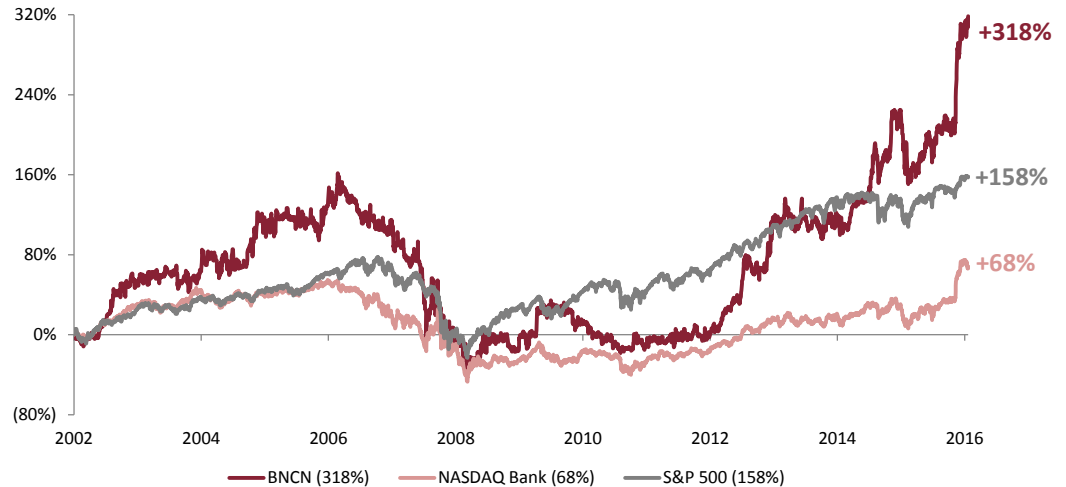


Bank Acquisitions ⁽¹⁾

Year Completed	Target	Assets (\$mm)
2016	High Point Bank Corporation	\$794
2016	Southcoast Financial Corporation	\$492
2015	Valley Financial Corporation	\$857
2014	Harbor Bank Group, Inc.	\$306
2014	South Street Financial Corp.	\$274
2014	Community First Financial Group, Inc.	\$228
2013	Randolph Bank & Trust Company	\$302
2012	Carolina Federal Savings Bank	\$41
2012	First Trust Bank	\$437
2012	KeySource Financial, Inc.	\$206
2011	Blue Ridge Savings Bank, Inc.	\$168
2011	Regent Bancorp, Inc.	\$52
2010	Beach First National Bank	\$613
2006	SterlingSouth Bank & Trust Company	\$148

Total (14 Acquisitions) \$4,919

Stock Price Performance Since 12/31/2002



Source: SNL Financial; dollars in millions; market data as of January 20, 2017

(1) Includes whole bank and government assisted transactions since 2006

(2) Operating results; a Non-GAAP measure, refer to appendix for GAAP to Non-GAAP reconciliation

Business Integration Opportunity



- **Although no revenue synergies are included in the financial modeling, there are significant opportunities to leverage the franchise strengths of both institutions:**
 - ✓ **C&I Business**
 - Leverage PNFP's C&I capabilities in BNCN's markets
 - Ability to offer a robust treasury management platform
 - ✓ **Commercial Mortgage**
 - Expands brokerage platform for BNCN CRE lenders & clients
 - ✓ **Wealth Management**
 - Incremental fee income from investment & trust services
 - ✓ **Residential Mortgage**
 - Ability to leverage PNFP's residential mortgage platform
 - ✓ **Benefits of Scale**
 - Ability to pursue larger clients
 - Better pricing for wholesale funding opportunities
 - Balance sheet repositioning

Strategic Merger of Like-Minded Banks

PNFP / BNCN Combination

- Creates a dominant Southeastern platform to leverage the individual strengths of both companies
- Partnership improves upon compelling ROA, ROTCE, and Efficiency Ratio metrics
- Maintains record of banks' pristine asset quality metrics
- Retention of BNCN management in key roles to allow for continued focus on commercial loan growth in new markets
- Demonstrated acquisition ability of both banks reduces integration risk of *pro forma* entity

Strategic Merger of Like-Minded Banks⁽¹⁾

		
✓ Franchise focused in Large MSAs ⁽²⁾	97.7%	84.2%
✓ Strong Returns on Assets ⁽³⁾	1.37%	1.21%
✓ Exceptional Returns on Tangible Equity ⁽³⁾	16.3%	14.5%
✓ Leading Efficiency Metrics ⁽³⁾	49.6%	51.7%
✓ Outsized Organic Loan Growth	14.1%	19.0%
✓ Pristine Asset Quality: NPLs / Loans	0.50%	0.27%
✓ Leading Deposit Mix	27.4% DDA	18.3% DDA
✓ Coveted Commercial Loan Concentration ⁽⁴⁾	50.3%	25.0%

Source: SNL Financial

(1) Financial data presented as of Most Recent Quarter; Organic Loan Growth presented as a 5-year CAGR

(2) Metropolitan areas with a population greater than 350,000

(3) Operating results; Non-GAAP measure. Refer to appendix for GAAP to Non-GAAP reconciliation

(4) Represents the sum of Commercial & Industrial + Owner Occupied CRE

Expands Presence into Desirable Regional Markets

- ✓ Presence in **48% of the top 25 MSAs (12 of 25)**
- ✓ **92% of our pro forma deposits in these markets**

Top 25 MSAs in Region by Population

Rank	Metropolitan Area	Population
1	Washington-Arlington-Alexandria, DC-VA-MD-WV	6,145,027
2	Atlanta-Sandy Springs-Roswell, GA	5,736,343
3	Charlotte-Concord-Gastonia, NC-SC	2,436,209
4	Nashville-Davidson--Murfreesboro--Franklin, TN	1,840,320
5	Virginia Beach-Norfolk-Newport News, VA-NC	1,734,823
6	Memphis, TN-MS-AR	1,347,257
7	Richmond, VA	1,274,616
8	Raleigh, NC	1,274,181
9	Birmingham-Hoover, AL	1,150,168
10	Greenville-Anderson-Mauldin, SC	877,875
11	Knoxville, TN	865,193
12	Columbia, SC	812,505
13	Greensboro-High Point, NC	754,836
14	Charleston-North Charleston, SC	750,593
15	Winston-Salem, NC	659,449
16	Augusta-Richmond County, GA-SC	589,440
17	Jackson, MS	579,115
18	Durham-Chapel Hill, NC	553,236
19	Chattanooga, TN-GA	549,579
20	Huntsville, AL	449,107
21	Asheville, NC	448,542
22	Myrtle Beach-Conway-North Myrtle Beach, SC-NC	433,835
23	Mobile, AL	415,990
24	Gulfport-Biloxi-Pascagoula, MS	391,544
25	Fayetteville, NC	385,288

- ✓ Presence in **40% of the top 25 MSAs (10 of 25)**
- ✓ **58% of our pro forma deposits in these markets**

Top 25 MSAs in Region by Proj. Population Growth

Rank	Metropolitan Area	Projected Pop. Growth (%)
1	Myrtle Beach-Conway-North Myrtle Beach, SC-NC	9.8
2	Hilton Head Island-Bluffton-Beaufort, SC	8.7
3	Charleston-North Charleston, SC	8.7
4	Raleigh, NC	8.2
5	Dunn, NC	7.9
6	Charlotte-Concord-Gastonia, NC-SC	7.2
7	Savannah, GA	7.1
8	Wilmington, NC	7.1
9	Daphne-Fairhope-Foley, AL	7.1
10	Nashville-Davidson--Murfreesboro--Franklin, TN	7.0
11	Durham-Chapel Hill, NC	6.8
12	Auburn-Opelika, AL	6.7
13	Atlanta-Sandy Springs-Roswell, GA	6.7
14	Gainesville, GA	6.6
15	Oxford, MS	6.4
16	Jefferson, GA	6.3
17	Greenville-Anderson-Mauldin, SC	6.1
18	Pinehurst-Southern Pines, NC	6.1
19	Athens-Clarke County, GA	5.9
20	Jacksonville, NC	5.8
21	Columbia, SC	5.7
22	Sevierville, TN	5.5
23	Washington-Arlington-Alexandria, DC-VA-MD-WV	5.5
24	Shelbyville, TN	5.3
25	Asheville, NC	5.2

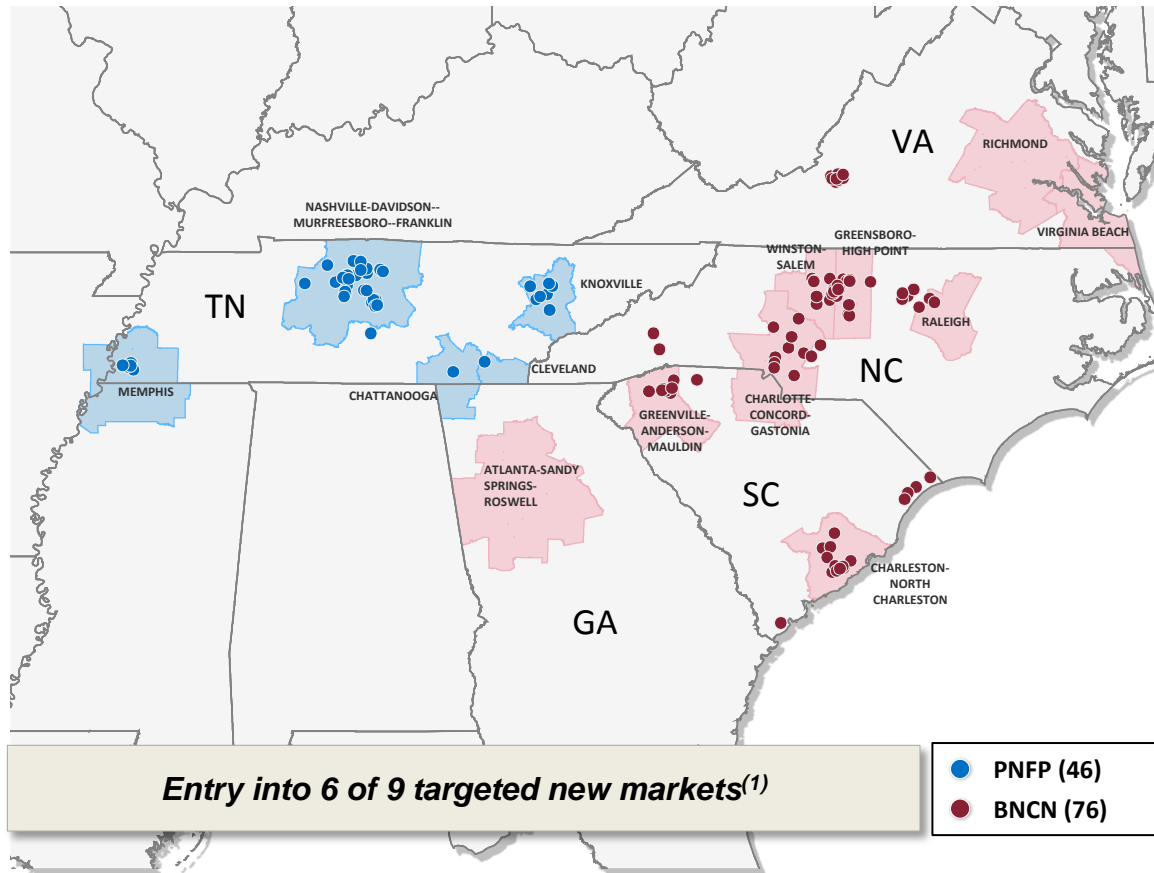
Source: SNL Financial; deposit data as of June 30, 2016

Note: Blue highlight denotes markets of operation for PNF; Red highlight denotes markets of operation for BNCN

Note: Region defined as AL, GA, MS, NC, SC, TN, VA

Consistent with Our Articulated M&A Strategy

Existing and Targeted New Markets⁽¹⁾



M&A Criteria⁽¹⁾

- ✓ *Management continuity*
- ✓ *> 5% EPS accretion in first full year*
- ✓ *Commercial thrust*
- ✓ *Sustainable core profitability*
- ✓ *Capacity to achieve mass in market*
- ✓ *At least \$1 billion in assets*

Source: SNL Financial












Note: Blue highlight denotes existing markets of operation; red highlight denotes desired new metropolitan markets

(1) Targeted new markets and M&A criteria as stated in prior investor presentations

Pro Forma Footprint: Expanded Presence in Southeastern Growth Markets

- Merger with BNCN is consistent with Pinnacle’s articulated M&A strategy – focusing on high growth urban markets
- Expanded 4-state footprint gives us critical mass in all the right Southeastern growth markets
 - Leading metro markets by population and population growth
 - Leading metro markets by key economic indicators

Select Urban Markets Served

	Tennessee				North Carolina, South Carolina & Virginia						
	Nashville	Memphis	Knoxville	Chattanooga	Charlotte	Winston-Salem	Greensboro	Raleigh	Greenville	Charleston	Roanoke
											
GDP (\$bn)⁽¹⁾	\$114	\$71	\$39	\$24	\$152	\$29	\$39	\$76	\$38	\$36	\$14
Population	1,881,524	1,347,404	868,453	552,944	2,485,529	664,730	760,830	1,305,052	891,702	768,937	316,013
Proj. Pop. ('17-'22) Growth	7.03%	1.92%	3.32%	3.81%	7.16%	3.76%	4.38%	8.20%	6.10%	8.66%	2.70%
Businesses	66,544	47,393	34,551	20,648	88,983	23,222	31,518	45,485	31,008	27,783	13,288
Deposits (\$mm)	\$52,198	\$28,031	\$16,264	\$9,377	\$200,848	\$38,103	\$11,757	\$27,589	\$15,371	\$12,238	\$7,263

Source: SNL Financial

(1) Per the Bureau of Economic Analysis' 2015 Regional GDP report

Transaction Summary

Transaction Value & Consideration

- \$1.88 billion in diluted transaction value⁽¹⁾
- Fixed exchange ratio: 0.5235x
- 100% stock consideration

Pro Forma Ownership

- 60% PNFP / 36% BNCN / 4% new shares issued in anticipated Tier 1 equity raise

Capital Raise

- Anticipated Tier I capital raise of approximately \$175 million
- *Pro forma* franchise crosses \$15 billion assets as result of merger. Seek to raise Tier I capital to support Tier I regulatory capital ratios with trust preferred securities fully recognized as Tier II capital

Termination Fee

- \$66 million, mutual

Voting Agreements

- Certain PNFP & BNCN shareholders, including all directors and executive officers, have signed customary support agreements

Required Approvals

- Approval of PNFP and BNCN shareholders
- Customary regulatory approvals

Targeted Closing

- 3rd Quarter 2017

(1) Based on 52,181,073 BNCN common shares outstanding, PNFP's 20-day trailing average of \$68.20 as January 20, 2017 and the fixed exchange ratio of 0.5235x; inclusive of the effect of BNCN's RSAs / RSUs

Multiples Comparison

Transaction Multiples⁽¹⁾



Trading Multiples⁽²⁾

Relative Multiples

Price / Tangible Book Value ⁽³⁾ :	2.91x	3.40x
Price / BNCN's 2017 Earnings ⁽⁴⁾ :	19.7x	20.2x
Price / BNCN's 2018 Earnings ⁽⁴⁾ :	17.1x	17.5x

Other Transaction Data

Market Premium ⁽⁵⁾ :	10.5%
BNC Dividend Accretion ⁽⁶⁾ :	46.6%

(1) Based upon PNFP's 20-day trailing average closing price of \$68.20 as of January 20, 2017 and the exchange ratio of 0.5235x

(2) Based upon PNFP's 20-day trailing average closing price of \$68.20 as of January 20, 2017

(3) Based upon BNCN tangible book value per share of \$12.29 as of December 31, 2016

(4) Based upon consensus mean estimates as of January 20, 2017; 2017 EPS of \$1.81, 2018 EPS of \$2.09

(5) Based upon PNFP's 20-day trailing average closing price of \$68.20 and BNCN's 20-day trailing average closing price of \$32.30 as of January 20, 2017

(6) Based upon BNCN's current quarterly dividend of \$0.05 per share, PNFP's current quarterly dividend of \$0.14 per share and the exchange ratio of 0.5235x

Comprehensive Due Diligence Overview

Key Focus Area	Action	Observations
Risk Management	<ul style="list-style-type: none"> Key risk managers at Pinnacle participated in due diligence including CEO, CFO, CAO, CCO, CRO, etc. 	<ul style="list-style-type: none"> BNCN Risk management appears to be robust (especially in the areas of compliance and credit) and appears to fit well with the Pinnacle risk management structure
Credit	<ul style="list-style-type: none"> Detailed loan reviews of the non-consumer, non-small business loan portfolio Portfolio sampling of Pinnacle model Consumer and Small Business loan books Total reviewed = 65% 	<ul style="list-style-type: none"> Client selection process consistent Strong credit metrics – commercial and CRE Centralized consumer underwriting and strong consumer portfolio metrics
Compliance	<ul style="list-style-type: none"> Compliance functions reviewed by Pinnacle EWRM officer and Chief Compliance Officer 	<ul style="list-style-type: none"> BNCN has developed an effective compliance risk management infrastructure
Interest Rate Sensitivity	<ul style="list-style-type: none"> Detail reviews of investment securities and various interest rate risk scenarios 	<ul style="list-style-type: none"> Neutral to slight liability sensitive position due to higher allocation to fixed rate loans and municipal securities Moderate duration present in bond portfolio with strong yield profile Expect modest NIM accretion post conversion
Liquidity	<ul style="list-style-type: none"> Deposit book reviewed with emphasis on liquidity risk and deposit concentrations 	<ul style="list-style-type: none"> Non-core funding is slightly higher. However, recent acquisitions have strengthened core funding base. Strong on-balance sheet liquidity position CRE focus provides steady principal cash flow stream from term credits.
IT & Operations	<ul style="list-style-type: none"> Pinnacle due diligence team gained understanding of IT and operational practices 	<ul style="list-style-type: none"> No material systems integration issues discovered IT cancellation fees included in one-time charges
Personnel Practices and Policies	<ul style="list-style-type: none"> Pinnacle diligence team gained understanding of personnel practices and policies 	<ul style="list-style-type: none"> HR practices generally consistent Incentive comp will be migrated to the Pinnacle model for incentives and equity compensation

Key Transaction Assumptions

Options & Restricted Stock

- BNCN's 66,443 in-the-money options outstanding to be cashed out upon the closing of the transaction
- 551,726 RSAs / RSUs to be converted into PNFP common shares at the exchange ratio

Revenue Synergies

- Revenue enhancements identified but not modeled

Expense Savings

- Expected to be approximately \$41 million (fully phased-in), 25% of BNCN's noninterest expense⁽¹⁾

Merger & Integration Costs

- Expected to be approximately \$100 million pre-tax and adjustments are fully phased into *Pro Forma* TBV computation

Purchase Accounting & Other Adjustments

- \$57 million loan mark, net of BNCN's existing discount and reversal of allowance for loan loss
- Core deposit intangible of 1.18% (\$53 million) on non-time deposits, amortized over 10 years, sum-of-the-years digits
- Expected annual BNCN lost revenue / incremental expense of \$5 million pre-tax related to the regulatory impact of crossing \$10 billion in assets
- Approximately \$12.5 million in incremental after-tax earnings estimated for 2018 incorporating all fair market value adjustments and other merger-related adjustments

(1) Based upon the 2018 mean consensus estimate as of January 20, 2017

Estimated *Pro Forma* Impacts

Key Transaction Impacts to PNFP ⁽¹⁾			
2018E EPS Accretion			~ 10%
IRR			~ 20%
Initial Tangible Book Value Accretion			~ 5%
Tangible Book Value Earnback Period			n/a

	As of December 31, 2016		<i>Pro Forma</i> @ 7/1/2017 ⁽¹⁾
	PNFP	BNCN	
Capital Ratios			
TCE / TA	8.8%	9.0%	9.3%
Leverage Ratio	8.6%	10.1%	9.0%
Common Equity Tier I Ratio	7.9%	10.5%	9.5%
Tier I Ratio	8.6%	11.2%	9.5%
Total Risk-based Capital Ratio	11.9%	13.0%	12.5%
Loan Concentration Ratios			
C&D / Total Capital	75%	85%	77%
CRE / Total Capital	240%	338%	272%

Note: *Pro forma* impacts presented inclusive of anticipated Tier I equity raise

(1) Estimated financial impact is presented solely for illustrative purposes using mean analyst estimates. Includes purchase accounting marks and cost savings, as well as approximately \$175 million Tier I capital raise to address loss of Tier I treatment for TRUPs; assumes system conversion in Q4 2017

Pro Forma Market Position

Top 50 bank in the U.S by assets

36th largest in the U.S. by market cap

Best-in-Class Profitability

Nat'l Rank	Institution	Assets (\$bn)	Nat'l Rank	Institution	Mkt. Cap. (\$bn)	Nat'l Rank	Institution	2018 Proj. ROAA (%) ⁽¹⁾
1	JPMorgan Chase & Co.	2,491	1	JPMorgan Chase & Co.	299.4	1	Bank of the Ozarks, Inc.	1.87
2	Bank of America Corporation	2,188	2	Wells Fargo & Company	276.7	2	Western Alliance Bancorporation	1.72
3	Wells Fargo & Company	1,930	3	Bank of America Corporation	229.2	3	PacWest Bancorp	1.67
4	Citigroup Inc.	1,792	4	Citigroup Inc.	159.9		Pro Forma	1.40+
5	U.S. Bancorp	446	5	U.S. Bancorp	87.3	4	Hilltop Holdings Inc.	1.39
6	PNC Financial Services Group, Inc.	366	6	PNC Financial Services Group, Inc.	57.3	5	Pinnacle Financial Partners, Inc.	1.38
7	Capital One Financial Corporation	345	7	Bank of New York Mellon Corporation	47.1	6	Hope Bancorp, Inc.	1.37
8	Bank of New York Mellon Corporation	333	8	Capital One Financial Corporation	42.7	7	East West Bancorp, Inc.	1.34
9	State Street Corporation	256	9	BB&T Corporation	36.9	8	U.S. Bancorp	1.34
10	BB&T Corporation	219	10	State Street Corporation	30.5	9	Chemical Financial Corporation	1.30
11	SunTrust Banks, Inc.	205	11	SunTrust Banks, Inc.	27.2	10	Great Western Bancorp, Inc.	1.28
12	Citizens Financial Group, Inc.	150	12	M&T Bank Corporation	24.3	11	Sterling Bancorp	1.27
13	Fifth Third Bancorp	143	13	Fifth Third Bancorp	19.9	12	United Bankshares, Inc.	1.26
14	KeyCorp	136	14	KeyCorp	19.3	13	Prosperity Bancshares, Inc.	1.24
15	Regions Financial Corporation	126	15	Northern Trust Corporation	18.9	14	Cathay General Bancorp	1.22
16	Northern Trust Corporation	124	16	Citizens Financial Group, Inc.	18.6	15	BB&T Corporation	1.24
17	M&T Bank Corporation	123	17	Regions Financial Corporation	17.4	16	Signature Bank	1.20
18	Huntington Bancshares Incorporated	101	18	Huntington Bancshares Incorporated	14.2	17	Wells Fargo & Company	1.16
19	First Republic Bank	73	19	First Republic Bank	13.9	18	F.N.B. Corporation	1.14
20	Comerica Incorporated	73	20	Comerica Incorporated	11.5	19	MB Financial, Inc.	1.14
21	Zions Bancorporation	61	21	SVB Financial Group	8.9	20	Commerce Bancshares, Inc.	1.12
22	New York Community Bancorp, Inc.	49	22	Zions Bancorporation	8.7	21	Bank of Hawaii Corporation	1.12
23	SVB Financial Group	43	23	Signature Bank	8.4	22	Capital One Financial Corporation	1.12
24	People's United Financial, Inc.	41	24	New York Community Bancorp, Inc.	7.7	23	Huntington Bancshares Incorporated	1.12
25	Popular, Inc.	39	25	East West Bancorp, Inc.	7.1	24	United Community Banks, Inc.	1.11
						25	TCF Financial Corporation	1.09
50	Pro Forma	20	36	Pro Forma	4.9			
75	Pinnacle Financial Partners, Inc.	11	59	Pinnacle Financial Partners, Inc.	3.0			

Source: SNL Financial and FactSet Research Systems

Note: Includes public banks with greater than or equal to \$10 billion in assets; market data as of January 20, 2017

(1) 2018 projected ROAA per mean consensus estimates as of January 20, 2017; PNFP *pro forma* based on previously stated transaction assumptions and projections

Sustainable Business Model

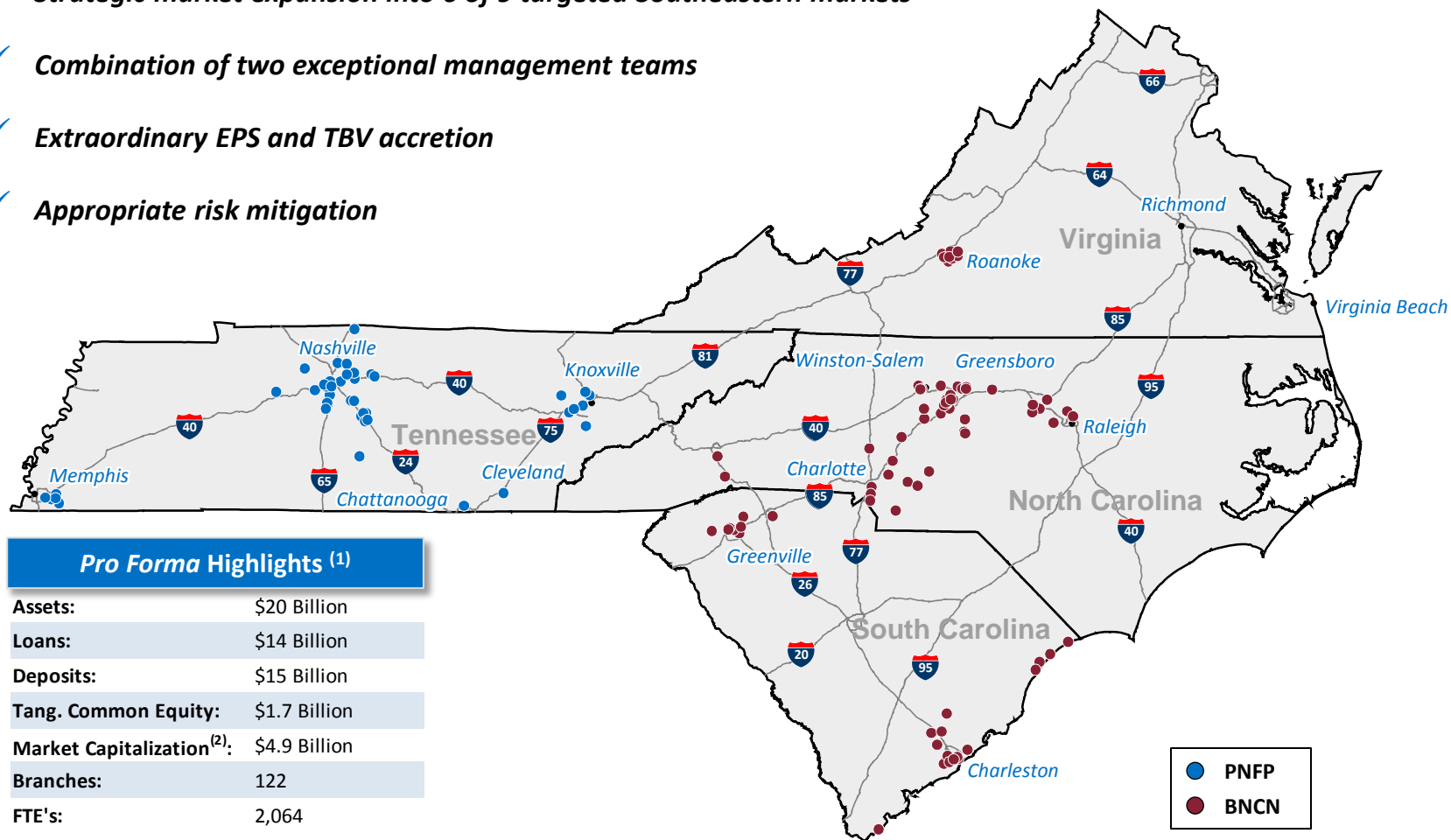
- ✓ Combination increases profitability of franchise:

Metric	Current PNFP	Combined with BNCN
	<i>Targeted Ranges</i>	
Net interest margin	3.40% to 3.60%	<i>Unchanged</i>
Net charge-off's	0.20% to 0.35%	
Noninterest income / Average assets	1.10% to 1.30%	
Noninterest expense / Average assets	2.00% to 2.20%	
Return on Average Assets	1.20% to 1.40%	1.30% to 1.50%

Note: Non-GAAP measurements typically presented and reconciled to GAAP measures; excludes the impact of merger-related charges, refer to appendix for GAAP to Non-GAAP reconciliation

Summary

- ✓ **Strategic market expansion into 6 of 9 targeted Southeastern markets**
- ✓ **Combination of two exceptional management teams**
- ✓ **Extraordinary EPS and TBV accretion**
- ✓ **Appropriate risk mitigation**



Pro Forma Highlights ⁽¹⁾

Assets:	\$20 Billion
Loans:	\$14 Billion
Deposits:	\$15 Billion
Tang. Common Equity:	\$1.7 Billion
Market Capitalization ⁽²⁾ :	\$4.9 Billion
Branches:	122
FTE's:	2,064

Source: SNL Financial; Company Management

(1) Financial information is *pro forma* for PNF / BNCN transaction + approximately \$175 million Tier I equity raise

(2) Market data as of January 20, 2017

Supplemental Information

- ✓ **Additional Transaction Detail**
 - Estimated *Pro Forma* Impacts
 - Integration

- ✓ **Overview of BNC Bancorp**
 - BNCN's Market Position

- ✓ **Markets Detail**
 - Significant Commercial Lending Opportunities
 - Diversifying Our Markets

- ✓ **Loan and Deposit Detail**
 - *Pro Forma* Loan and Deposit Composition
 - CRE Composition and Historical Losses
 - Interest Rate Sensitivity

- ✓ **Fee Income Detail**
 - Fee Income Opportunity

- ✓ **Leading Pinnacle Markets**

- ✓ **Non-GAAP Reconciliations**

Estimated *Pro Forma* Impacts⁽¹⁾

	PNFP @ 7/1/17	<i>Pro Forma</i> for Acquisition		
		Without Tier I Equity Raise	\$130 mm Tier I Equity Raise ⁽⁴⁾	\$175 mm Tier I Equity Raise ⁽⁵⁾
Key Transaction Impacts				
2018E EPS Accretion	\$3.91 ⁽²⁾	~13%	~10%	~10%
Initial Tangible Book Value Accretion	-	~(1%)	~4%	~5%
Tangible Book Value Earnback Period ⁽³⁾	-	~0.5 years	NA	NA
Capital Ratios				
TCE / TA	8.9%	8.5%	9.1%	9.3%
Leverage Ratio	8.7%	8.1%	8.8%	9.0%
Common Equity Tier I Ratio	8.1%	8.5%	9.2%	9.5%
Tier I Ratio	8.8%	8.5%	9.2%	9.5%
Total Risk-based Capital Ratio	11.9%	11.5%	12.2%	12.5%
Loan Concentration Ratios				
C&D / Total Capital	75%	84%	79%	77%
CRE / Total Capital	239%	296%	278%	272%

Source: SNL Financial

- (1) Estimated financial impact is presented solely for illustrative purposes using mean analyst estimates per research analyst reports. Includes purchase accounting marks and cost savings
- (2) Based upon consensus mean estimates as of January 20, 2017
- (3) Utilizing the crossover method
- (4) Illustrates the *pro forma* impact of replacing phased-out approximately \$130 million of trust preferreds (from Tier 1 to Tier 2) with \$130 million of Tier 1 capital; trust preferreds will remain outstanding
- (5) Includes \$130 million Tier I capital raise referenced in Footnote 4

Integration

Technology and Process Integration:

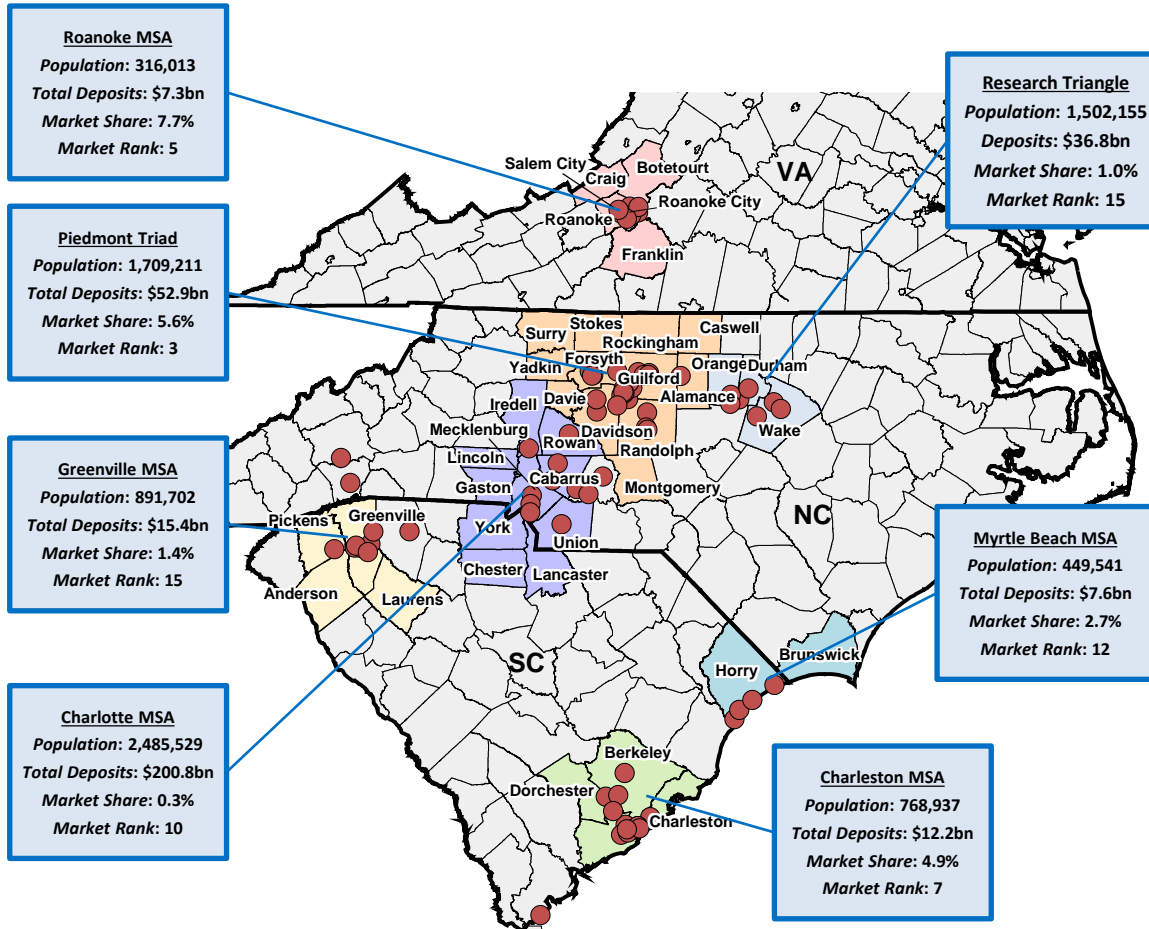
- ✓ **Operating Systems familiar to Pinnacle (BNCN – JHA Silverlake same as Avenue Financial)**
- ✓ **Both companies have extensive systems integration experience**
 - PNFP – Converted three bank platforms in the last 18 months, approximately \$2.3 billion in loans and \$2.4 billion in deposits
 - BNCN – Converted five bank platforms in the last 2 years, approximately \$1.9 billion in loans and \$2.1 billion in deposits
- ✓ **Preliminary conversion timeline**
 - Pinnacle is planning for a 3-stage technology conversion: Virginia 1st, South Carolina 2nd, and North Carolina 3rd. Ultimate completion by 12/31/17. Loan policy day 1 – internal credit processes expected by 12/31/18

Business Model Integration:

- ✓ **Programs with corporate oversight / local accountability**
 - Commercial Real Estate, Insurance Agencies, Small Business, Treasury Management Sales
- ✓ **Programs with corporate management / local execution support**
 - Residential Real Estate, SBA Lending, Wealth Management (Pinnacle Asset Management, Trust Services, Capital Markets)
- ✓ **Support functions managed centrally – primary in middle Tennessee with distributed support in areas of Human Resources, Training and Development and other miscellaneous support areas**

BNCN's Market Position

BNCN Major Markets



BNCN Financial Overview ⁽¹⁾

Headquarters	High Point, NC
Bank Established	1991
(\$ in millions)	
Total Assets	\$7,402
Total Net Loans	5,418
Deposits	6,083
Loans / Deposits	96.5 %
Operating ROAA ⁽²⁾	1.21 %
Operating ROATCE ⁽²⁾	14.50
Reported Net Interest Margin	3.80
Operating Efficiency Ratio ⁽²⁾	51.7
NPAs / Assets	0.56 %
NPAs / Loans + OREO	0.54
Reserves / Loans	0.95
Leverage Ratio	10.05 %
Common Equity Tier 1 Ratio	10.49
Tier 1 Ratio	11.23
Total Capital Ratio	12.95
TCE / TA	8.98

Source: SNL Financial and MapInfo Professional

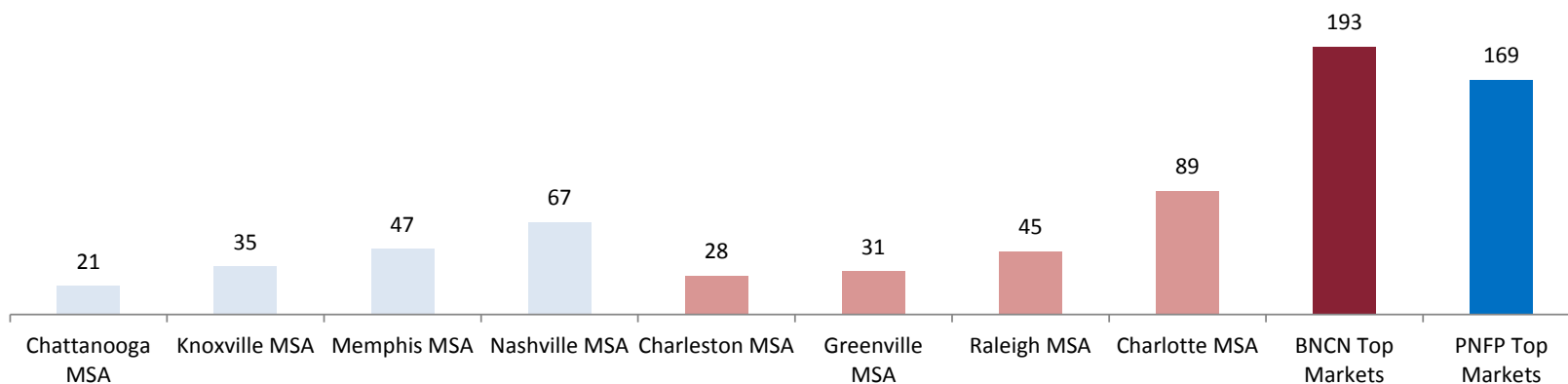
Note: Deposit data as of June 30, 2016

(1) Financial information is as of or for the quarter ended December 31, 2016

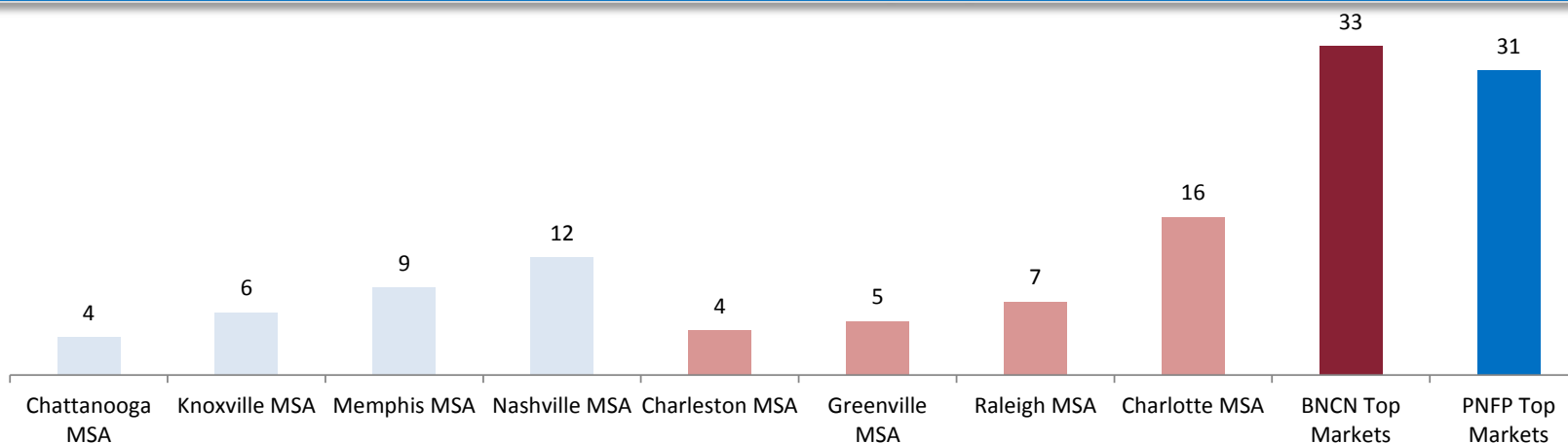
(2) Operating results; a Non-GAAP measure, refer to appendix for GAAP to Non-GAAP reconciliation

Significant Commercial Lending Opportunities

Total Businesses (000s)



Total C&I Businesses (000s) ⁽¹⁾



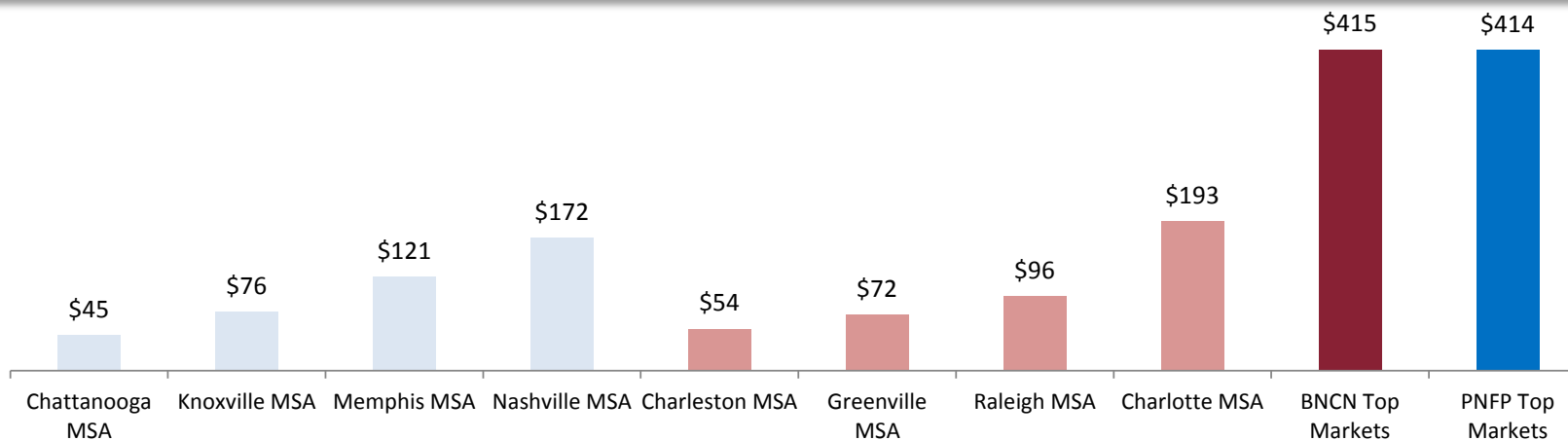
Source: SNL Financial

Note: BNCN Top Markets defined as Charleston, Greenville, Raleigh and Charlotte MSAs. PNFP Top Markets defined as Chattanooga, Knoxville, Memphis and Nashville MSAs

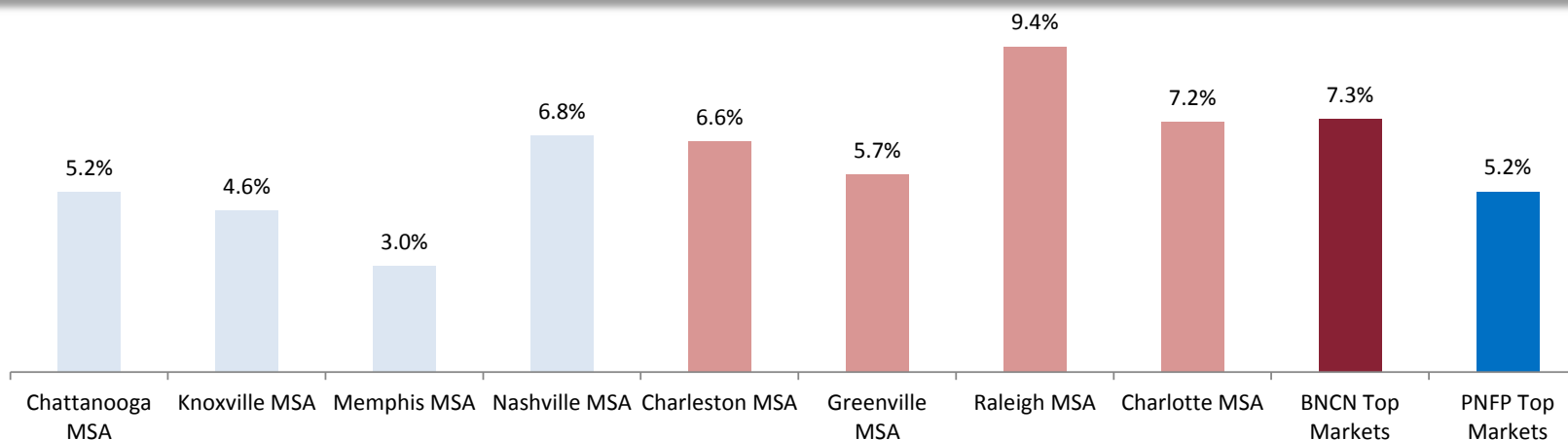
(1) Includes companies classified with the NAICS as Healthcare and Social Assistance, Wholesale Trade, Manufacturing or Transportation and Warehousing

Significant Commercial Lending Opportunities *(continued)*

Sales (\$bn)



2014 – 2015 GDP Growth ⁽¹⁾



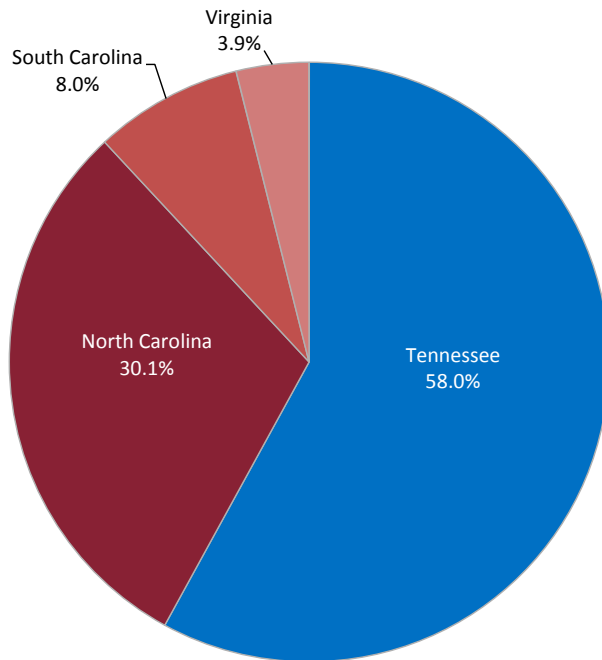
Source: SNL Financial; U.S. Bureau of Economic Analysis

Note: BNCN Top Markets defined as Charleston, Greenville, Raleigh and Charlotte MSAs. PNFP Top Markets defined as Chattanooga, Knoxville, Memphis and Nashville MSAs

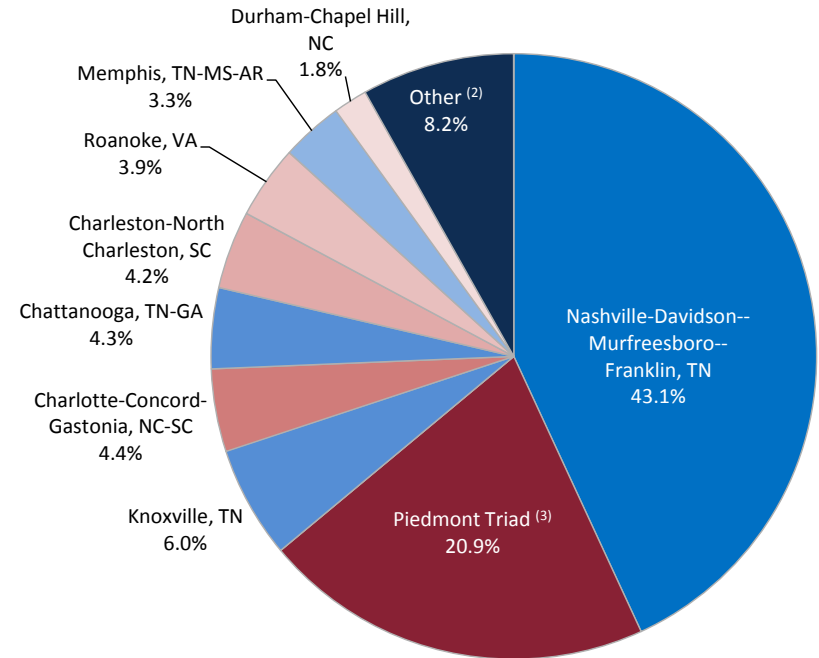
(1) Measured in current dollars. BNCN and PNFP Top Markets are calculated based on total GDP growth in the markets

Diversifying Our Markets

Deposits by State



Deposits by Top MSAs⁽¹⁾



Source: SNL Financial

Deposit data as of June 30, 2016

Note: Blue shading represents PNFN markets of operation and red shading represents BNCN markets of operation

(1) Includes top 10 metropolitan areas by deposits

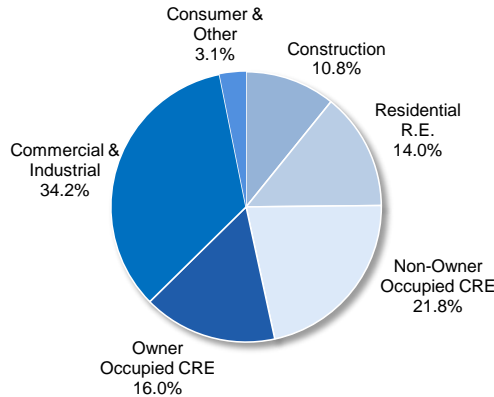
(2) Includes the following MSAs: Albemarle, NC; Greenville-Anderson-Mauldin, SC; Myrtle Beach-Conway-North Myrtle Beach, SC-NC; Cleveland, TN; Raleigh, NC; Spartanburg, SC; Shelbyville, TN; Asheville, NC; Burlington, NC; Hilton Head Island-Bluffton-Beaufort, SC

(3) Piedmont Triad is an aggregation of the Greensboro-High Point, NC & Winston-Salem, NC MSAs

Pro Forma Loan and Deposit Composition

PNFP

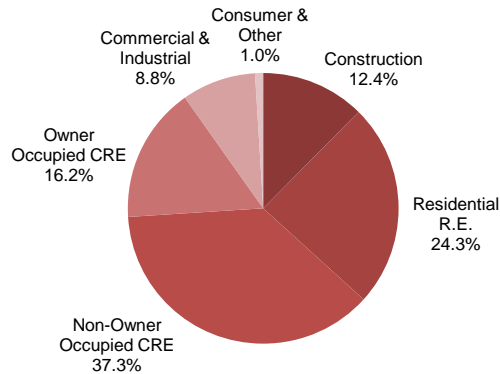
Total: \$8,450mm



Loan Mix

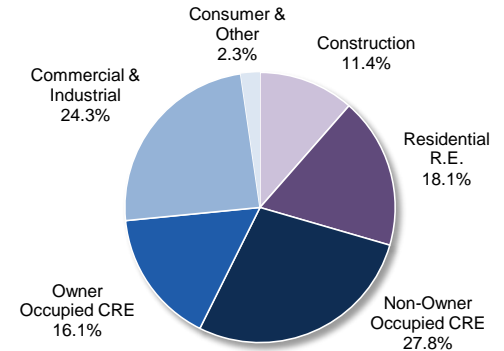
BNCN

Total: \$5,456mm

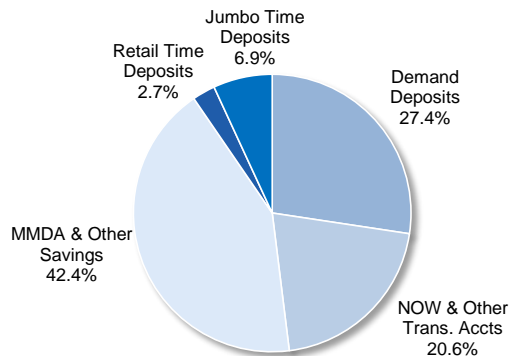


Pro Forma

Total: \$13,906mm

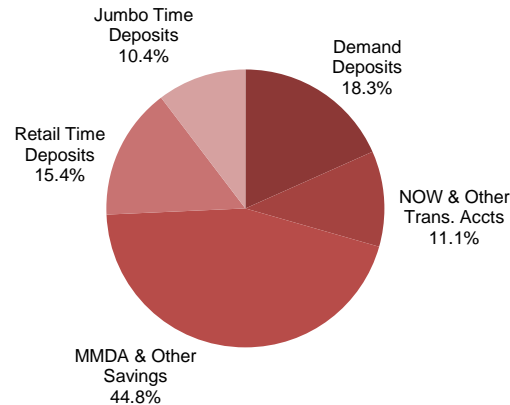


Total: \$8,759mm

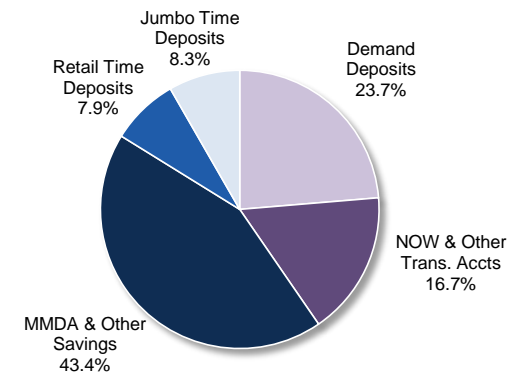


Deposit Mix

Total: \$6,083mm



Total: \$14,842mm



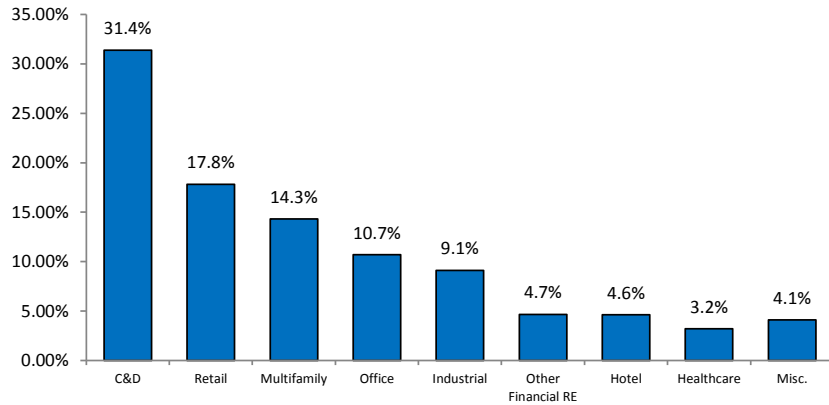
Source: SNL Financial and Company Documents

Note: Data as of December 31, 2016

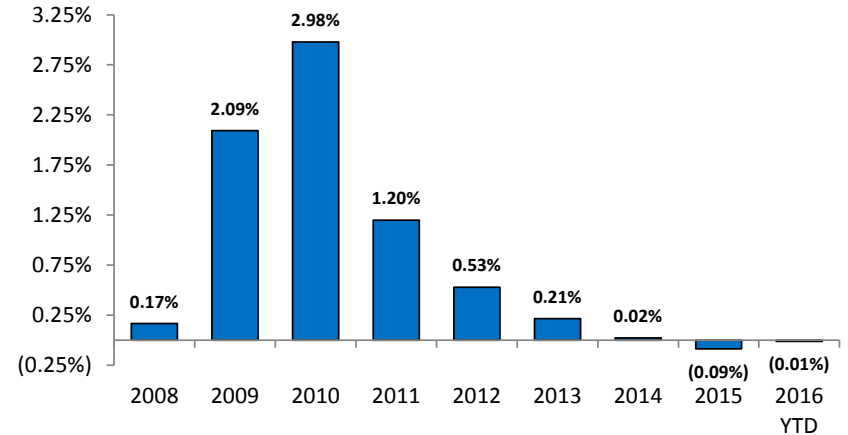
Note: Jumbo time deposits defined as time deposits greater than \$100,000

CRE Composition and Historical Losses

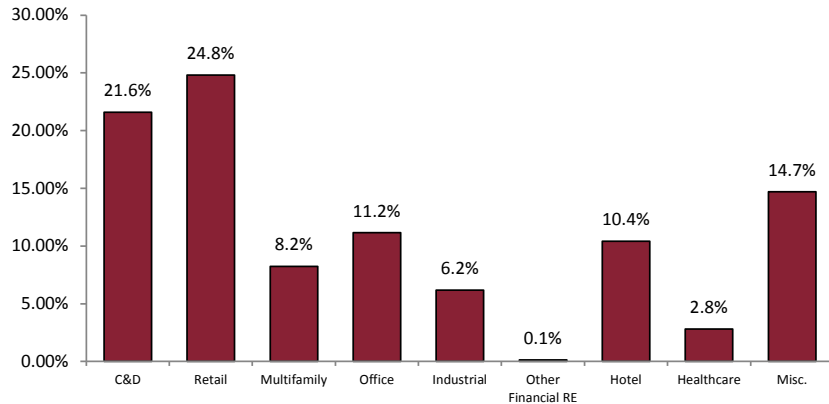
PNFP Commercial Real Estate Portfolio (NOO)⁽¹⁾



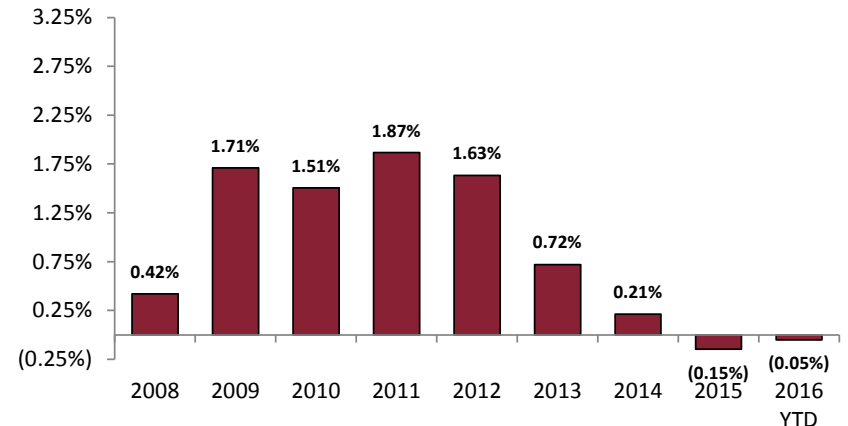
PNFP NOO CRE Net Charge Offs (%)⁽³⁾



BNCN Commercial Real Estate Portfolio (NOO)⁽²⁾



BNCN NOO CRE Net Charge Offs (%)⁽³⁾



Source: Company Management

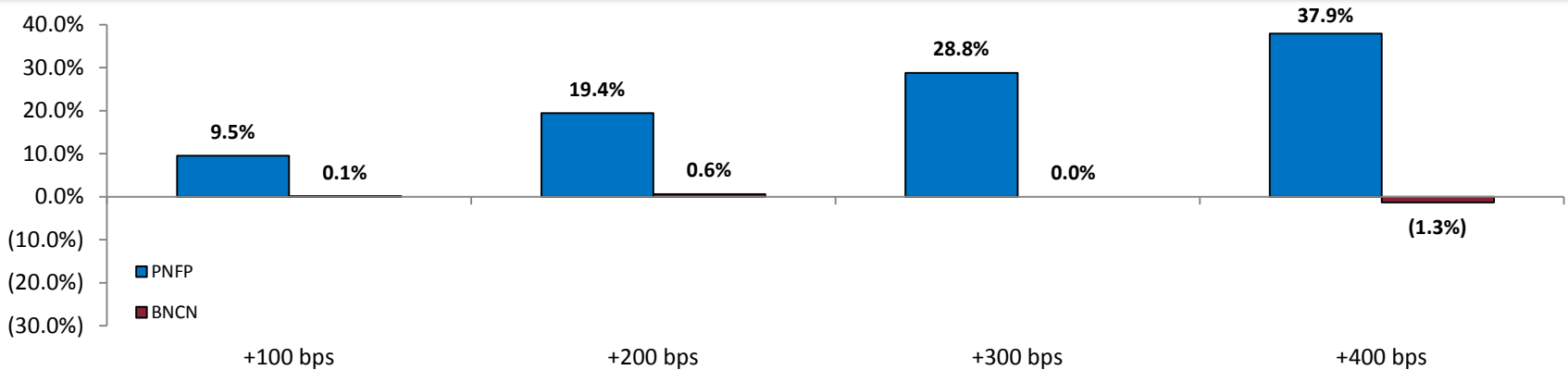
(1) Per Company Management, as of December 31, 2016

(2) Per Company Management, as of December 27, 2016

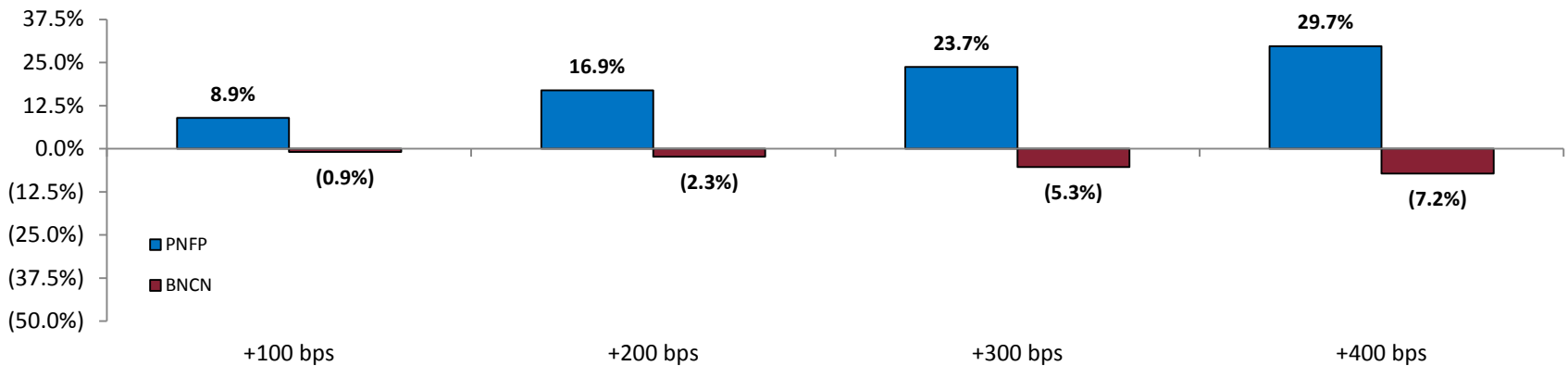
(3) Data is presented as of September 30, 2016; does not take into effect the impact of BNCN's recently completed acquisition of High Point Bank Corp.

Interest Rate Sensitivity

Change in Net Interest Income



Change in Economic Value of Equity



Source: Company filings

Note: PNF analysis per Company management, as of November 30, 2016 assumes an instantaneous and parallel rate shock.

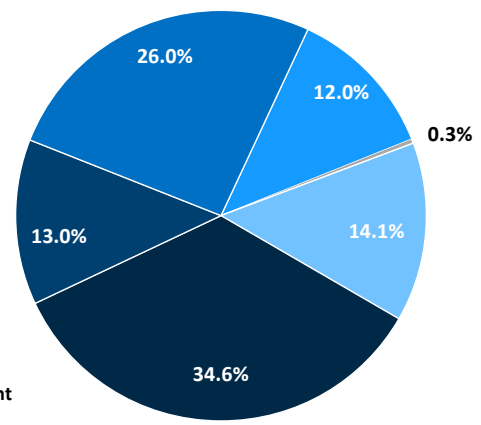
Note: BNCN analysis per Company management, as of September 30, 2016 and assumes an instantaneous and parallel rate shock; excludes the impact of BNCN's recently completed acquisition of High Point Bank Corp.

Fee Income Opportunity

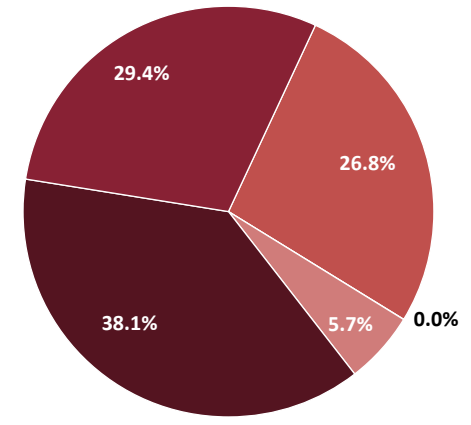


By Product

- Service Charges
- Securities Gains
- Trust / Investment
- Other Noninterest Income
- Mortgage
- Income From Equity Method Investment



2016 (\$mm): \$121
 % of Average Assets: 1.21%



2016 (\$mm): \$38
 % of Average Assets: 0.61%

Source: SNL Financial and Company documents
 Note: Data for the full year ended December 31, 2016

Leading *Pro Forma* Markets

Tennessee

- ✓ Tennessee ranks **No. 5 in state business climate** rankings (*Site Selection*)
- ✓ Tennessee continued to add jobs at more than **twice the U.S. rate last year** (*U.S. Department of Labor*)
- ✓ Tennessee's Spring Hill General Motors' expansion named the Silver recipient for annual 'Deal of the Year' award (*Business Facilities*)

North Carolina

- ✓ North Carolina ranks **No. 2 in state business climate** rankings (*Site Selection*)
- ✓ North Carolina was ranked **No. 2 in 'Best States for Business 2016'** (*Forbes*)
- ✓ North Carolina is **home to the 9th and 13th fastest growing cities** in the U.S. (*Forbes*)

South Carolina

- ✓ South Carolina was ranked **No. 7 'Best Business Climate in the Country'** (*Site Selection*)
- ✓ South Carolina ranks **No. 10 in favorable regulatory environments for business** (*Forbes*)

Virginia

- ✓ Virginia was ranked **No. 6 'Best State for Business'** and **No. 3 in 'Regulatory Environment'** (*Forbes*)
- ✓ Virginia ranks **No. 3 in 'Business Friendliness'** (*CNBC*)

Leading *Pro Forma* Markets

Nashville

Nashville has achieved “it city” status, landing on several major national publications’ lists of hot spots. Nashville’s diverse economy, thriving cultural base and strong business community are major attractions for corporations. The accolades continued in the fourth quarter of 2016:

- ✓ Nashville ranks **No. 1 in ‘2017 10 Hottest Housing Markets’** (*Zillow*)
- ✓ Nashville ranks **No. 7 in ‘2016 Best-Performing Cities’** (*Milken Institute*)
- ✓ Nashville is the **third-best city in the country for job seekers** (*NerdWallet*)
- ✓ Nashville is amongst the **‘50 Best Places to Travel’** in 2017 (*Travel + Leisure*)

Knoxville

Knoxville also enjoys a very healthy and diverse economy with an excellent transportation and technology infrastructure. The Knoxville metropolitan area was the third fastest MSA in the country to fully recover from jobs lost in the 2007-2010 recession and currently enjoys the lowest unemployment rate of Tennessee’s metro areas. Good news in the fourth quarter of 2016 includes:

- ✓ Knoxville named one of the **‘American Cities Adding the Most Jobs This Year’** (*247WallSt.com*)
- ✓ Knoxville named as a top retirement destination (*WhereToRetire.com*)

Memphis

Memphis offers a diverse, metropolitan workforce. Over the past three decades, the presence of companies like FedEx and the region’s superior distribution infrastructure have earned Memphis the title, “America’s Distribution Center.”

- ✓ Memphis ranks **No. 3 in the nation in terms of lowest rent-to-income** ratio (*SmartAsset*)
- ✓ Memphis ranks **No. 38 in cost of doing business** in ‘100 Best Places for Business and Careers’ (*Forbes*)

Chattanooga

Chattanooga is Tennessee’s fourth-largest MSA as measured by both population and deposits. National publications have declared Chattanooga a tech hub and manufacturing magnet. Economic drivers include:

- ✓ Chattanooga’s Innovation District beckons to young entrepreneurs (*The New York Times*)
- ✓ Chattanooga’s housing market is healthy despite a nationwide slowdown (*Times Free Press*)

Leading *Pro Forma* Markets

Charlotte

Charlotte has become a major U.S. financial center, and is now the second largest banking center in the United States after New York City. – Forbes

- ✓ Charlotte was rated the **3rd most attractive real estate market** in America (*PwC*)
- ✓ Charlotte has been ranked **No. 15 of the 'Best Places to Live in the USA'** (*U.S. News & World Report*)

Winston-Salem

Winston-Salem is North Carolina's second-largest MSA as measured by deposits. National publications have declared Winston-Salem as one of the nation's most technologically-advanced and entrepreneurial cities.

- ✓ Winston-Salem named the **11th best city to start a business** (*WalletHub*)
- ✓ Winston-Salem was recognized as one of the **top 10 most technologically-advanced** cities (*e.Republic*)

Greensboro – High Point

Greensboro-High Point is part of a greater metropolitan area called the Triad, which encompasses the three major cities of High Point, Winston-Salem and Greensboro, making the Triad a thriving urban hub.

- ✓ Greensboro is one of the 20 best MSAs in the country as measured by 'Cost of Doing Business' (*Forbes*)
- ✓ Greensboro was ranked **No. 4 in the 'National 2016 Digital Cities Survey Award'** (*Center for Digital Government*)

Raleigh

North Carolina's second-biggest city by population, Raleigh has been widely recognized by national outlets as one of the most attractive business and job markets in the country.

- ✓ Raleigh was named **No. 2 in 'America's Hottest Spots for Tech Jobs'** (*Forbes*)
- ✓ Raleigh was recognized as the **'Best Big City in the Southeast'** (*Money Magazine*)

Leading *Pro Forma* Markets

Greenville, SC

Greenville, the third-largest MSA in South Carolina by deposits, has been increasingly recognized as one of the premier travel destinations in the country.

- ✓ Greenville was named one of the **'10 Best Emerging Destinations'** (*USA Today*)
- ✓ Greenville was recognized amongst the nation's **'Top 10 Best Places to Live 2016'** (*Men's Journal*)

Charleston, SC

Charleston, the second-largest MSA in South Carolina by population, has received national attention as both a notable travel destination and a center of economic growth.

- ✓ Charleston was named **No. 1 'Small City in the U.S.'** (*Condé Nast Traveler*)
- ✓ Charleston ranked **No. 7 for 'Economic Growth Potential'** in 2016 (*Business Facilities*)

Roanoke, VA

Roanoke, which is nestled in Virginia's Blue Ridge mountains, has been increasingly recognized for its outstanding quality of life and stunning natural beauty.

- ✓ Roanoke has been named one of the **'South's Best Places to Retire'** (*Southern Living*)
- ✓ Roanoke was named one of **'America's Best Small Cities on the Rise'** (*Smarter Travel*)

Non-GAAP Reconciliations – PNFP

For the 3 Years ended December 31,	2016	2015	2014
Diluted per share excluding merger related expenses			
Net income	\$ 127,225	\$ 95,510	\$ 70,471
Merger-related charges	11,746	4,797	-
Tax effect on merger-related charges	(4,609)	(1,882)	-
Net income less merger-related charges	134,362	98,426	70,471
Diluted earnings per share	\$ 2.90	\$ 2.53	\$ 2.01
Adjustment to diluted earnings per share due to merger-related charges	0.17	0.08	-
Diluted earnings per share excluding merger-related charges	\$ 3.07	\$ 2.61	\$ 2.01

For the 3 months ended,	Dec. 31, 2016
Efficiency Ratio (excluding investment gains, ORE expense, and merger-related charges)	
Noninterest expense	\$ 62,765
Other real estate expense	44
Merger-related charges	3,264
Noninterest expense excluding the impact of ORE expense, and merger-related charges	59,457
Net interest income	89,413
Noninterest income	30,743
Investment (gains) and losses on sales, net	(395)
Noninterest income excluding investment (gains) and losses on sales of securities, net	30,347
Efficiency Ratio (excluding investment gains, ORE expense, and merger-related charges)	49.6%
Total average assets	\$ 11,038
Noninterest expense to avg. assets	2.26%
Adjustment due to ORE expenses and merger-related charges	-0.12%
Noninterest expense (excluding ORE expense, and merger-related charges) to avg. assets	2.14%

For the 3 months ended,	Dec. 31, 2016
Return on average assets (excluding merger-related charges)	
Return on average assets	1.30%
Adjustment due to merger-related charges	0.07%
Return on average assets (excluding merger-related charges)	1.37%

For the 3 months ended,	Dec. 31, 2016
Return on average tangible common equity (excluding merger-related charges)	
Return on average common equity	9.61%
Adjustment due to goodwill, core deposit and other intangible assets	5.88%
Return on average tangible common equity	15.49%
Adjustment due to merger related charges	0.85%
Return on average tangible common equity (excluding merger-related charges)	16.34%

Non-GAAP Reconciliations – BNCN

For the 3 Years ended December 31,	2016	2015	2014
Operating Earnings per Share, Diluted (1)			
Net income (GAAP)	\$ 62,913	\$ 44,450	\$ 29,390
Transaction-related expenses, net of tax	10,666	8,364	5,641
Loss on extinguishment of debt, net of tax	377	481	386
Insurance settlement, net of tax	-	-	484
Securities gains (losses), net of tax	4	557	(322)
Operating earnings (non-GAAP)	\$ 73,952	\$ 52,738	\$ 35,255
Weighted average fully diluted shares outstanding	45,185	35,782	29,152
Operating earnings per share, diluted (non-GAAP)	\$ 1.64	\$ 1.47	\$ 1.21

For the 3 months ended,	Dec. 31, 2016
Operating Efficiency Ratio (3)	
Non-interest expense (GAAP)	\$ 47,565
Transaction-related expenses	9,121
Loss on extinguishment of debt	598
Operating non-interest expense (non-GAAP)	37,846
Net interest income, FTE	61,454
Non-interest income - GAAP	11,696
Securities gains (losses), net	6
Operating efficiency ratio (non-GAAP)	51.74%

For the 3 months ended,	Dec. 31, 2016
Operating Return on Average Tangible Common Equity (2)	
Net income (GAAP)	\$ 15,691
Amortization of intangibles, net of tax	888
Transaction-related expenses, net of tax	5,746
Loss on extinguishment of debt, net of tax	377
Securities gains (losses), net of tax	4
Operating tangible net income (non-GAAP)	22,698
Average common shareholders equity	864,656
Average intangible assets	241,802
Average tangible common shareholders' equity (non-GAAP)	622,854
Operating return on average tangible common equity (non-GAAP)	14.50%

For the 3 Years ended December 31,	3 months ended Dec 31, 2016	2016	2015	2003
Operating Return on Average Assets (1)				
Net income (GAAP)	\$ 15,691	\$ 62,913	\$ 44,450	\$ 3,407
Transaction-related expenses, net of tax	5,746	10,666	8,364	-
Loss on extinguishment of debt, net of tax	377	377	481	-
Securities gains (losses), net of tax	4	4	557	-
Operating earnings (non-GAAP)	\$ 21,810	\$ 73,952	\$ 52,738	\$ 3,407
Average assets	7,158,393	6,311,531	4,720,107	331,907
Operating return on average assets (non-GAAP)	1.21%	1.17%	1.12%	1.03%

Note: \$ and share counts in thousands

- (1) Operating earnings per diluted share, operating non-interest income, operating non-interest expense, operating income tax expense, operating return on average assets, and operating return on average tangible common equity are non-GAAP financial measures and exclude the after-tax effect of transaction-related charges, loss on extinguishment of debt, securities gains (losses) and other one-time charges. Management believes that these non-GAAP performance measures provide additional useful information that allows readers to evaluate the ongoing performance of the company.
- (2) The tangible measures are non-GAAP financial measures and exclude the effect of period end or average balance of intangible assets. Management believes that these non-GAAP tangible measures provide additional useful information, particularly since these measures are widely used by industry analysts for companies with prior merger and acquisition activities.
- (3) Operating efficiency ratio is calculated by non-interest expense, excluding transaction-related expenses, and loss on extinguishment of debt, divided by the sum of FTE net interest income and non-interest income excluding securities gains (losses). Management believes this non-GAAP operating measure provides additional useful information that allows readers to evaluate the ongoing performance of the company.