



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Pinnacle Financial Partners, Inc.

Person to be contacted regarding this report:	Harold Carpenter
UST Sequence Number:	184
CPP Funds Received:	95,000,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Dec 12, 2008
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	2925657
Holding Company Docket Number: (For Thrift Holding Companies)	NA
FDIC Certificate Number: (For Depository Institutions)	35583
City:	Nashville
State:	Tennessee

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	During 2009, the CPP funds helped us increase our loan balances by a net \$208 million or 6.2% over the year end 2008 amounts.
<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	We experienced increased lending in all categories of loans, with the exception of Construction loans which decreased by \$134 million or 20.3%. Thus, our other categories (consumer mortgage, commercial mortgage, commercial and industrial) increased by \$342 million.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	During 2009, the CPP funds helped us increase our bond portfolio by a net \$90 mm (per our cash flow statement).

<input type="checkbox"/>	Make other investments	No material increases
<input type="checkbox"/>	Increase reserves for non-performing assets	No material increases
<input type="checkbox"/>	Reduce borrowings	Our net other borrowings (repo's, FHLB borrowings and Fed funds purchased) were up approximately \$30 mm or 6.6% from 12/31/08 to 12/31/09.
<input checked="" type="checkbox"/>	Increase charge-offs	Net charge-offs for 2009 were \$60 mm compared to \$3 mm in 2008
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	NA
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	The CPP funds also provided us some additional capital to help us work thru this credit cycle. The CPP funds represent additional "insurance" to bolster our capital levels for uncertainty that exists during this economic period.

What actions were you able to avoid because of the capital infusion of CPP funds?

Absent the additional capital, we likely would have been required to slow our loan growth and/or deleverage our balance sheet thru reduced loan balances in order to maintain the more elevated capital levels that we believe would have been necessary during this credit cycle.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

Proactively solicit new borrowing relationships. We also completed construction on five office facilities bring our total branch could to 34 by FYE 2009. We also increased our workforce by 58 FTE's during 2009 or an increase of 8.1%. Without the additional capital, we likely would not have positioned ourselves for the additional growth these additional personnel will eventually provide.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

None we are aware of.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.