

**Report of Organizational Actions  
 Affecting Basis of Securities**

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name <b>PINNACLE FINANCIAL PARTNERS, INC.</b>		2 Issuer's employer identification number (EIN) <b>62-1812853</b>	
3 Name of contact for additional information <b>DANA SANDERS</b>	4 Telephone No. of contact <b>(615) 743-8105</b>	5 Email address of contact <b>dana.sanders@pnfp.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>150 3RD AVENUE SOUTH, SUITE 900</b>		7 City, town, or post office, state, and Zip code of contact <b>NASHVILLE, TN 37201</b>	
8 Date of action <b>7/1/2016</b>	9 Classification and description <b>COMMON STOCK</b>		
10 CUSIP number <b>72346Q104</b>	11 Serial number(s)	12 Ticker symbol <b>PNFP</b>	13 Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **PINNACLE FINANCIAL PARTNERS, INC. ("PINNACLE") ACQUIRED AVENUE FINANCIAL HOLDINGS, INC. ("AVENUE") THROUGH A MERGER TRANSACTION WHEREBY AVENUE MERGED WITH AND INTO PINNACLE. IMMEDIATELY FOLLOWING THE AVENUE PINNACLE MERGER, AVENUE BANK, A WHOLLY OWNED SUBSIDIARY OF AVENUE, MERGED WITH AND INTO PINNACLE BANK, A WHOLLY OWNED SUBSIDIARY OF PINNACLE. THE TRANSACTION IS INTENDED TO QUALIFY AS A TAX-FREE REORGANIZATION. THE EFFECTIVE DATE OF THE ACTION IS JULY 1, 2016. SHAREHOLDERS OF AVENUE COMMON STOCK WILL RECEIVE MIXED CONSIDERATION FOR EACH SHARE OF COMMON STOCK CONSISTING OF .36 SHARES OF PINNACLE COMMON STOCK AND \$2.00 CASH. NO FRACTIONAL SHARES WERE ISSUED IN THE TRANSACTION. CASH IN LIEU OF FRACTIONAL SHARES WAS PAID BASED ON THE AVERAGE CLOSING PRICE OF PINNACLE COMMON STOCK FOR THE TEN TRADING DAYS ENDING ON JUNE 30, 2016.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **THE TRANSACTIONS ARE INTENDED TO QUALIFY AS A TAX-FREE REORGANIZATION UNDER IRC §368(A). BECAUSE AVENUE SHAREHOLDERS RECEIVED A COMBINATION OF CASH AND STOCK, THE AGGREGATE BASIS OF THE PINNACLE SHARES RECEIVED BY AVENUE SHAREHOLDERS IN THE MERGER WILL GENERALLY BE EQUAL TO THE AGGREGATE BASIS IN THE AVENUE SHARES EXCHANGED, REDUCED BY CASH RECEIVED IN THE MERGER (EXCLUDING ANY CASH RECEIVED INSTEAD OF FRACTIONAL SHARE INTERESTS IN PINNACLE COMMON STOCK), AND INCREASED BY THE AMOUNT OF ANY GAIN RECOGNIZED ON SUCH EXCHANGE (BUT EXCLUDING ANY GAIN RESULTING FROM DEEMED RECEIPT AND REDEMPTION OF A FRACTIONAL SHARE OF PINNACLE COMMON STOCK, IN ACCORDANCE WITH IRC §358(A)). THE HOLDING PERIOD IN PINNACLE COMMON SHARES RECEIVED AS MERGER CONSIDERATION WILL INCLUDE THE HOLDING PERIOD OF THE AVENUE COMMON SHARES EXCHANGED THEREFOR.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **THE BASIS OF PINNACLE COMMON SHARES RECEIVED BY FORMER AVENUE SHAREHOLDERS, ONCE COMPUTED, MUST BE ALLOCATED TO INDIVIDUAL PINNACLE SHARES IN ACCORDANCE WITH TREAS. REG. §1.358-2. BECAUSE FEWER SHARES OF PINNACLE COMMON STOCK WERE RECEIVED THAN AVENUE SHARES SURRENDERED, THE BASIS OF THE AVENUE SHARES SURRENDERED MUST BE ALLOCATED TO THE SHARES OF PINNACLE COMMON STOCK RECEIVED IN A MANNER THAT REFLECTS, TO THE GREATEST EXTENT POSSIBLE, THAT A SHARE OF PINNACLE STOCK RECEIVED IS RECEIVED IN RESPECT OF AVENUE SHARES THAT WERE ACQUIRED ON THE SAME DATE AND AT THE SAME PRICE. TO THE EXTENT IT IS NOT POSSIBLE TO ALLOCATE BASIS IN THIS MANNER, THE BASIS OF THE AVENUE SHARES SURRENDERED MUST BE ALLOCATED TO THE SHARES OF PINNACLE STOCK RECEIVED IN A MANNER THAT MINIMIZES THE DISPARITY IN THE HOLDING PERIODS OF THE SURRENDERED AVENUE SHARES WHOSE BASIS IS ALLOCATED TO ANY PARTICULAR SHARE OF PINNACLE COMMON STOCK RECEIVED. THIS MAY RESULT IN THE PINNACLE STOCK RECEIVED HAVING A SPLIT BASIS AND SPLIT HOLDING PERIOD.**

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

IRS SECTION 368 (a)(1)(A)

IRS SECTION 354

IRS SECTION 356

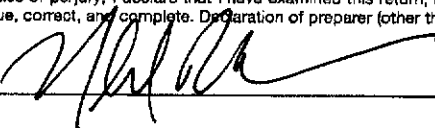
IRS SECTION 358

IRS SECTION 1221

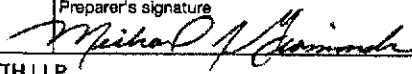
18 Can any resulting loss be recognized? ▶ **IN MOST SITUATIONS, LOSSES RESULTING FROM THIS TRANSACTION ARE NOT CURRENTLY RECOGNIZED AND ARE DEFERRED UNTIL THE ULTIMATE DISPOSITION OF THE PINNACLE COMMON SHARES RECEIVED IN THE TRANSACTION.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **THE ADJUSTMENT TO BASIS WOULD BE TAKEN INTO ACCOUNT IN THE TAXABLE YEAR OF THE SHAREHOLDER DURING WHICH THE MERGER OCCURRED (I.E. 2016 FOR CALENDAR YEAR TAXPAYERS). IN ADDITION, THE \$2.00 OF CASH RECEIVED FOR EACH SHARE OF AVENUE STOCK SURRENDERED IS CONSIDERED NON-STOCK CONSIDERATION ("BOOT") IN A TAX-FREE REORGANIZATION. THIS CASH PAYMENT IS LIKELY FULLY TAXABLE UPON RECEIPT. FORMER AVENUE SHAREHOLDERS SHOULD DISCUSS THIS MATTER WITH A PROFESSIONAL TAX ADVISER. THIS INFORMATION DOES NOT CONSTITUTE TAX ADVICE AND PROVIDES A DESCRIPTION OF COMMON TAX CONSEQUENCES BUT DOES NOT PURPORT TO DESCRIBE ALL TAX CONSEQUENCES THAT MAY APPLY TO ALL TYPES OF SHAREHOLDERS.**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶  Date ▶ 7.14.16

Print your name ▶ HAROLD R. CARPENTER Title ▶ CHIEF FINANCIAL OFFICER

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	MICHAEL J. GIAMMALVO		7/14/2016		P00096176
	Firm's name ▶ CROWE HORWATH LLP	Firm's EIN ▶ 35-0921680	Phone no. 615-515-5685		
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