



October 20, 2025

Dear Shareholder,

Pinnacle Financial Corporation (the “Company” or “Pinnacle”) is pleased to provide you with this quarterly update of our financial results for the period ended September 30, 2025. Enclosed, you will find summary financial information for the Company and our subsidiary, Pinnacle Bank (the “Bank”). As you look through this information and consider the results, please reach out to me if you have questions or comments.

- Net income in the 3rd quarter totaled \$7.1 million, an increase of 4.6% compared to the prior quarter.
- Total deposits of \$1.97B are down slightly compared to the prior quarter and up 5.4% over same quarter last year.
- Net Interest Margin (“NIM”) improved to 4.35%, continuing a trend over several quarters.
- Total loan balances continue a steady growth pattern, driving interest income higher.
- Investments in technology and new Augusta locations set stage for future growth.
- Pinnacle continues to look for growth opportunities to enhance shareholder value.

	September 30 2025	June 30 2025	March 31 2025	December 31 2024	September 30 2024
Consolidated Earnings					
Net income available to common shareholders	\$ 7,128,221	\$ 6,810,221	\$ 6,291,237	\$ 7,274,789	\$ 7,221,434
Fully diluted earnings per common share	\$ 5.12	\$ 4.89	\$ 4.51	\$ 5.28	\$ 5.26
Return on average assets (annualized)	1.28%	1.22%	1.14%	1.35%	1.35%
Return on average equity (annualized)	15.51%	14.85%	13.95%	17.68%	19.25%
Return on average tangible common equity (annualized)	15.73%	16.83%	16.26%	19.93%	19.38%
Net interest margin	4.35%	4.20%	4.04%	3.92%	3.79%
Noninterest income/average assets (annualized)	1.03%	1.00%	0.98%	1.18%	1.37%
Noninterest expense/average assets (annualized)	3.44%	3.29%	3.18%	3.11%	3.16%
Efficiency ratio	66.14%	65.38%	66.21%	63.60%	63.74%
Dividends paid per common share	\$ 1.45	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30
Consolidated Balance Sheet (000s)					
Total assets	\$ 2,229,952	\$ 2,256,326	\$ 2,259,447	\$ 2,189,911	\$ 2,129,249
Total gross loans	\$ 1,667,833	\$ 1,621,062	\$ 1,581,804	\$ 1,562,631	\$ 1,521,416
Total deposits	\$ 1,971,715	\$ 2,007,555	\$ 2,015,672	\$ 1,958,362	\$ 1,869,173
Loans to deposits	84.59%	80.75%	78.48%	79.79%	81.40%
Total shareholders' equity	\$ 205,492	\$ 195,898	\$ 188,928	\$ 180,203	\$ 183,364
Book value per common share	\$ 157.16	\$ 142.83	\$ 137.40	\$ 131.01	\$ 133.58
Bank Asset Quality Ratios					
Nonperforming assets/total assets	0.04%	0.06%	0.05%	0.07%	0.08%
Loans 30 days or more past due/loans	0.20%	0.44%	0.14%	0.02%	0.06%
Net charge-offs/average loans	0.01%	0.02%	0.01%	0.06%	0.06%
Allowance for credit losses/loans	1.25%	1.27%	1.31%	1.30%	1.34%
Allowance for credit losses/nonaccrual loans	22.96x	15.10x	18.13x	16.77x	11.70x
Holding Company Capital Ratios (Consolidated)					
Leverage ratio	9.48%	9.16%	9.04%	9.05%	8.86%
Common equity tier 1 ratio	11.84%	11.56%	11.53%	11.40%	11.32%
Tier 1 risk-based capital ratio	11.84%	11.56%	11.53%	11.40%	11.32%
Total risk-based capital ratio	14.44%	14.15%	14.17%	14.04%	14.04%
Bank Capital Ratios					
Leverage ratio	9.59%	9.31%	9.22%	9.27%	9.17%
Common equity tier 1 ratio	11.98%	11.75%	11.75%	11.68%	11.72%
Tier 1 risk-based capital ratio	11.98%	11.75%	11.75%	11.68%	11.72%
Total risk-based capital ratio	13.19%	12.95%	12.98%	12.89%	12.96%



For the quarter ending September 30, 2025, Pinnacle reported net income of \$7.1 million, an improvement of 4.6% over the prior quarter. Net income continues to be driven by improving net interest income arising from growth in loans, plus stronger net interest margin (NIM) at 4.35%. We believe NIM will continue to remain stable or will improve due to cost of deposits and repricing in the loan portfolio.

The operating statement reflected higher non-interest income as compared to the 2nd quarter as mortgage fees, SBA lending fees and debit card transaction fees continue to contribute positively. Going forward, we expect our non-interest fee income generators to drive additional income as our customer base continues to grow. Non-interest expenses are in line with budget, and increases are related to our continued focus on growth and talent. We are attentive to quality of earnings, customer acquisition, fee generation and expense management. Earnings per share on a fully diluted basis totaled \$5.12 for the third quarter as compared to \$4.89 in the prior quarter. Shareholders received a cash dividend of \$1.45 per share during the third quarter, with expectations to continue dividends at this level.

Total assets as of September 30, 2025, were \$2.2 billion, slightly less than the prior quarter end. Loans totaled \$1.66 billion at quarter end, an increase compared to the prior quarter, which totaled \$1.62 billion. The demand for new loans during early 2025 has been tempered by uncertain economic factors; however, our team is capitalizing on our relationship driven sales approach, and we remain optimistic about growth in the northeast Georgia region. Credit quality remains at historically strong levels. Deposits decreased slightly during the quarter, but the total is higher than the same quarter last year and reflects a favorable long-term trend. The Bank's liquidity position is strong and stable enabling us to continue to address interest expense in future quarters.

While deposit and loan growth remain priorities, we're also committed to other forms of growth that strengthen the Bank. Pinnacle continues to invest heavily in technology and facilities. We also expect several of our markets to offer opportunities for expansion. Recognizing the strength of the Greater Augusta market, we've broken ground on two new offices in that area.

The Company remains well capitalized and retains enough capital to support the operations of the Bank and the execution of our strategic plan. Capital ratios at the Bank and holding company are strong as indicated in the accompanying table. For additional details, please review the attached financial summary and the selected financial data included in this report.

Inquiries regarding your shares including administrative issues such as address changes, family transfers, etc., should be directed to InvestorRelations@pinnaclebank.com. Thank you for your investment in Pinnacle Financial Corporation and the trust you place in us as your Board of Directors and management team. As always, I enjoy hearing from our shareholder partners and welcome your comments and questions.

My direct phone number is (706) 213-3350 and email address is jmcconnell@pinnaclebank.com.

Sincerely,



L. Jackson McConnell, Jr.
Chairman and CEO

Forward-looking Statements

Certain statements contained in this letter may not be based on historical facts and are forward-looking statements. These forward-looking statements may be identified by their reference to a future period or periods or by the use of forward-looking terminology such as "anticipate," "believe," "estimate," "expect," "may," "might," "will," "would," "could" or "intend." We caution you not to place undue reliance on the forward-looking statements contained in this letter, in that actual results could differ materially from those indicated in such forward-looking statements as a result of a variety of factors, including, among others, the business and economic conditions; risks related to the integration of acquired businesses and any future acquisitions; changes in management personnel; interest rate risk; ability to execute on planned expansion and organic growth; credit risk and concentrations associated with the Company's loan portfolio; asset quality and loan charge-offs; inaccuracy of the assumptions and estimates management of the Company makes in establishing reserves for probable loan losses and other estimates; lack of liquidity; impairment of investment securities, goodwill or other intangible assets; the Company's risk management strategies; increased competition; system failures or failures to prevent breaches of our network security; changes in federal tax law or policy; the impact of recent and future legislative and regulatory changes; and increases in capital requirements. We undertake no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date of this letter.



**PINNACLE FINANCIAL CORPORATION
AND SUBSIDIARY**

**CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2025 AND 2024**

unaudited

<u>Assets</u>	<u>2025</u>	<u>2024</u>
Cash and due from banks	\$ 19,533,944	\$ 18,335,322
Interest-bearing deposits at other financial institutions	35,449,241	96,007,799
Federal funds sold	10,346,060	10,200,000
Securities available for sale	391,004,438	383,546,915
Federal Home Loan Bank stock, at cost	1,719,300	2,857,100
Loans, net of allowance for loan losses of \$20,911,833 and \$20,215,196, respectively	1,646,921,504	1,501,200,209
Premises and equipment, net	43,103,646	39,470,721
Accrued interest receivable	8,352,545	7,119,840
Goodwill and intangibles, net	33,925,168	34,307,596
Cash surrender value of life insurance	14,914,203	15,075,648
Other real estate owned	-	-
Other assets	24,681,735	21,128,349
Total assets	\$ 2,229,951,784	\$ 2,129,249,499
<u>Liabilities and Stockholders' Equity</u>		
Liabilities:		
Deposits:		
Non-interest bearing	\$ 635,803,971	\$ 590,450,424
Interest-bearing	1,335,911,411	1,278,722,236
Total deposits	1,971,715,382	1,869,172,659
Securities sold under repurchase agreements	407,230	2,359,667
Federal funds purchased	-	-
Subordinate notes	24,735,098	24,685,269
Subordinated debentures	7,217,000	7,217,000
FHLB advances	-	25,000,000
Accrued interest payable	2,703,347	3,832,661
Other liabilities	17,681,985	13,617,825
Total liabilities	2,024,460,042	1,945,885,082
Stockholders' equity:		
Common stock, no par value, 10,000,000 shares authorized; 1,369,476 and 1,372,657 shares issued, respectively	82,477,431	82,227,129
Dividends paid	(5,564,143)	(4,883,489)
Retained earnings	161,890,755	141,056,690
Accumulated other comprehensive income/loss	(33,312,301)	(35,035,913)
Total stockholders' equity	205,491,742	183,364,418
Total liabilities and stockholders' equity	\$ 2,229,951,784	\$ 2,129,249,499

as of 10/7/2025

**PINNACLE FINANCIAL CORPORATION
AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF OPERATIONS
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

unaudited

	<u>2025</u>	<u>2024</u>
Interest income:		
Loans, including fees	\$ 74,099,362	\$ 65,697,384
Securities:		
Taxable	6,844,707	7,054,919
Nontaxable	1,285,963	1,336,856
Federal funds sold and interest-bearing deposits in banks	3,922,456	3,977,502
Total interest income	<u>86,152,489</u>	<u>78,066,661</u>
Interest expense:		
Deposits	19,707,786	19,547,463
Borrowings	1,036,501	2,465,397
Total interest expense	<u>20,744,287</u>	<u>22,012,861</u>
Net interest income	<u>65,408,202</u>	<u>56,053,801</u>
Provision for loan losses	<u>1,350,000</u>	<u>900,000</u>
Net interest income after provision for loan losses	<u>64,058,202</u>	<u>55,153,801</u>
Other income:		
Service charges on deposit accounts	11,124,907	10,729,681
Mortgage loan origination fees	2,355,015	985,754
Other service charges and fees	1,572,739	1,418,393
Security gains, net	2,305	(12,116)
Other income	1,693,527	3,305,490
Total other income	<u>16,748,493</u>	<u>16,427,202</u>
Other expenses:		
Salaries and employee benefits	30,380,646	25,520,252
Occupancy and equipment expense	7,828,117	7,254,037
Other expenses	16,839,746	15,598,640
Total other expenses	<u>55,048,509</u>	<u>48,372,929</u>
Net income (loss) before taxes	<u>\$ 25,758,186</u>	<u>\$ 23,208,073</u>
Taxes	<u>\$ 5,528,507</u>	<u>\$ 5,091,265</u>
Net Income	<u>\$ 20,229,679</u>	<u>\$ 18,116,808</u>
Basis earnings per common share	<u>\$ 14.73</u>	<u>\$ 11.39</u>
Fully diluted earnings per common share	<u>14.53</u>	<u>13.19</u>
Average shares outstanding - basic	<u>1,373,620</u>	<u>1,285,303</u>
Average shares outstanding - diluted	<u>1,392,420</u>	<u>1,373,028</u>

as of 10/7/2025