

PINNACLE FINANCIAL PARTNERS INC

Form 424B5

June 10, 2009

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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-159395

Subject To Completion, Dated June 10, 2009

**PRELIMINARY PROSPECTUS SUPPLEMENT
(TO PROSPECTUS DATED JUNE 4, 2009)**

Shares

Common Stock

We are offering shares of our common stock to be sold in this offering.

Our common stock is traded on the NASDAQ Global Select Market under the symbol PNF.P. On June 9, 2009, the closing sale price of our common stock was \$14.69 per share, as reported on the NASDAQ Global Select Market.

Investing in our securities involves risks. You should carefully read this prospectus supplement, the accompanying prospectus, our periodic reports and other information we file with the Securities and Exchange Commission, or the SEC, and any information under the heading Risk Factors beginning on page S-6 of this prospectus supplement before making a decision to purchase our securities.

	Per Share	Total
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to us	\$	\$

The underwriters also may purchase up to an additional shares of our common stock at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement to cover over-allotments, if any.

Neither the SEC, any state securities commission, the Federal Deposit Insurance Corporation, or the FDIC, the Board of Governors of the Federal Reserve System, or the Federal Reserve Board, nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

These securities are not savings accounts, deposits or other obligations of any bank and are not insured or guaranteed by the FDIC or any other governmental agency.

The underwriters expect to deliver the shares to purchasers against payment on or about June , 2009.

RAYMOND JAMES

The date of this prospectus supplement is June , 2009.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and certain other matters and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information about us and the common stock offered hereby. Some of the information in the accompanying prospectus may not apply to this offering. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. To the extent the description of this offering in the prospectus supplement differs from the description of our common stock in the accompanying prospectus or any document incorporated by reference filed prior to the date of this prospectus supplement, you should rely on the information in this prospectus supplement.

We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The distribution of this prospectus and the offering of the common stock in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the common stock and the distribution of this prospectus outside the United States. This prospectus does not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any common stock offered by this prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

It is important for you to read and consider all of the information contained in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference therein, in making your investment decision. You should rely only on the information contained in, or incorporated by reference in, this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. This prospectus may only be used where it is legal to sell our common stock. You should not assume that the information that appears in this prospectus supplement, the accompanying prospectus and any document incorporated by reference into this prospectus supplement or the accompanying prospectus is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since the date of such information.

Unless this prospectus supplement indicates otherwise or the context otherwise requires, the terms we, our, us, Pinnacle Financial or the Company as used in this prospectus supplement refer to Pinnacle Financial Partners, Inc. and its subsidiaries, including Pinnacle National Bank, which we sometimes refer to as Pinnacle National, the bank, our bank subsidiary or our bank. Unless otherwise expressly stated or the context otherwise requires, all information in this prospectus supplement assumes that the option to purchase additional shares granted to the underwriter is not exercised in whole or in part.

FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The words expect, anticipate, intend, consider, plan, project, believe, probably, potentially, outlook, seek, similar expressions are intended to identify such forward-looking statements, but other statements may constitute forward-looking statements. These statements should be considered subject to various risks and uncertainties, and are made based upon management's belief as well as assumptions made by, and information currently available to, management pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Pinnacle

Financial s actual results may differ materially from the results anticipated in forward-looking statements due to a variety of factors including, without limitation, those described below under Risk Factors, and those described in Item 1A

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Risk Factors of our annual report on Form 10-K for the year ended December 31, 2008, and include, among other factors:

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 to continue to grow its loan portfolio at historic rates in the Nashville-Davidson-Murfreesboro-Franklin MSA and the Knoxville MSA;

changes in loan underwriting, credit review or loss reserve policies associated with economic conditions, examination conclusions, or regulatory developments;

increased competition with other financial institutions;

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;

rapid fluctuations or unanticipated changes in interest rates;

the development of any new market other than Nashville or Knoxville;

a merger or acquisition;

any activity in the capital markets that would cause Pinnacle Financial to conclude that there was impairment of any asset, including intangible assets;

the impact of governmental restrictions on entities participating in the Capital Purchase Program of the U.S. Department of the Treasury, or the Treasury; and

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.

Many of these risks are beyond our ability to control or predict, and you are cautioned not to put undue reliance on such forward-looking statements. Pinnacle Financial does not intend to update or reissue any forward-looking statements contained in this prospectus supplement as a result of new information or other circumstances that may become known to Pinnacle Financial.

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PROSPECTUS SUMMARY

*This summary highlights some information from this prospectus supplement and the accompanying prospectus, and it may not contain all of the information that is important to you. To understand the terms of the common stock offered hereby, you should read this prospectus supplement and the accompanying prospectus carefully. Together, these documents describe the specific terms of the shares we are offering. You should carefully read the sections entitled *Risk Factors* in this prospectus supplement and in the accompanying prospectus and the documents identified in the sections *Where You Can Find More Information* and *Incorporation of Certain Information by Reference* in this prospectus supplement. Except as otherwise noted, all information in this prospectus supplement assumes no exercise of the underwriter's over-allotment option.*

Pinnacle Financial Partners, Inc.

Pinnacle Financial Partners, Inc., is the second-largest bank holding company headquartered in Tennessee, with approximately \$5.0 billion in assets as of March 31, 2009 and 33 banking offices throughout the Nashville and Knoxville MSAs. Incorporated on February 28, 2000, we own 100% of the capital stock of Pinnacle National Bank, which is our primary business operation. As of March 31, 2009, we had total deposits of approximately \$3.8 billion and shareholders' equity of approximately \$631.6 million.

We operate as an urban community bank serving the Nashville-Davidson-Murfreesboro-Franklin MSA, which we refer to as the Nashville MSA, and the Knoxville MSA. As an urban community bank, we provide the personalized service most often associated with small community banks, while offering the sophisticated products and services, such as investments and treasury management, often associated with larger financial institutions. Our banking approach has enabled us to move clients from regional and national financial institutions that historically had the largest market shares in the markets we serve. As a result, in less than ten years, we have grown to capture the fourth largest market share in the Nashville MSA.

Our principal business is to originate loans and fund such loans with customer deposits. Our bank also provides fee-income producing ancillary services, including investment, trust and insurance services. We contract with Raymond James Financial Services, Inc., or RJFS, an independent contractor brokerage affiliate of Raymond James Financial, Inc., to offer and sell various securities and other financial products to the public from our bank's locations. We also maintain a trust department which provides fiduciary and investment management services for individual and institutional clients. We have also established Pinnacle Advisory Services, Inc., a registered investment advisor, to provide investment advisory services to our clients. Additionally, Miller Loughry Beach Insurance Services, Inc., a wholly-owned subsidiary of our bank, provides insurance products, particularly in the property and casualty area, to our clients.

Business Strategies

Our business strategies are simple and consist of the following:

Focus our efforts on small- and medium-sized businesses, real estate professionals and affluent households within the Nashville and Knoxville MSAs. We use one-on-one marketing to establish comprehensive relationships with our clients. As a result, and unlike many of our competitors, we have elected to forego a mass market retail strategy which would include significant expenditures for print and television advertising. Instead, we offer extraordinary convenience to our clients by building a distribution system which includes online banking, telephone banking, remote deposit services and global access to ATMs which provide options

to our clients to access our financial services 24/7.

Hire and retain highly experienced and qualified banking and financial professionals with successful track records and, for client contact personnel, established books of business. On average, our senior client contact associates have in excess of 20 years experience in their local market. We have also achieved an annual associate retention rate in excess of 90 percent. We believe we will continue to be successful in attracting more market-best associates to our firm as well as retaining our highly experienced and successful group of associates. Our compensation has traditionally included cash

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incentives and equity based awards to all associates to promote this employment objective, and our compensation expense has traditionally been higher than our peers as a result.

Provide distinctive service and effective advice through individualized attention to clients with consistent, local decision-making authority and capitalize on customer dissatisfaction that we believe has been caused by our competitors' less than satisfactory response to the financial needs of today's sophisticated consumers and small- to medium-sized businesses. Since we began our company, we have surveyed our customers on numerous matters related to their relationship with us. Historically, customer responses indicate that better than 97 percent believe that we are recognizably better than our competitors in customer service.

Offer a full line of financial services from traditional depository and credit products to sophisticated investment, trust and insurance products and services. We offer brokerage products through dual employees licensed by RJFS. As of March 31, 2009, Pinnacle National's brokerage division, Pinnacle Asset Management, had accumulated approximately \$671 million in brokerage assets and, in 2008 and 2007, was the top producer among RJFS branches nationwide. Additionally, our trust department had accumulated approximately \$544 million in trust assets under management at March 31, 2009. We use our trust department, Pinnacle Asset Management, and our insurance agency subsidiary, Miller Loughry Beach Insurance Services, Inc., to provide a broad array of sophisticated and convenient investment and insurance products and services.

Recent Developments

We expect our second quarter 2009 performance will include several charges that will negatively impact earnings per share for the three and six months ended June 30, 2009. We expect improved performance levels later in the year.

Included in our second quarter results are the following:

FDIC Special Insurance Assessment We expect to incur a \$2.5 million pre-tax charge relating to the special assessment imposed on all FDIC-insured institutions. The FDIC has indicated that future special assessments are possible, although the FDIC has not determined the magnitude or timing of any possible future special assessments.

Silverton Charge-off On May 1, 2009, we announced that we charged-off a \$21.55 million loan to Silverton Financial Services, Inc., after learning that its subsidiary, Silverton Bank, had been placed in receivership by the Office of the Comptroller of the Currency, or the OCC.

Increased Loan Charge-offs Due to continued stress in the residential construction and development market, we anticipate an increased level of charge-offs in our loan portfolio. We currently expect full year 2009 net charge-offs expressed as a percentage of average loans to approximate 0.80% to 1.00%, exclusive of the Silverton charge-off. We expect the majority of these charge-offs will occur in the second quarter.

Increased Allowance For Loan Losses We expect our allowance for loan losses expressed as a percentage of total loans at the end of the second quarter to be within a range of 1.40% to 1.60%. We expect allowance levels for the remainder of 2009 will fluctuate in response to economic conditions in our markets.

Other We are projecting a slight increase in our net interest margin, as a result of improved loan pricing (in part due to interest rate floors) and a decrease in funding costs, although increased non-performing loans will have a negative impact. Additionally, fee income in the second quarter will likely be flat with the first quarter of 2009; however we continue to experience increased mortgage revenues associated with refinancings. We anticipate modest increases in the second half of 2009 from our other fee business primarily attributable to increased personnel in those areas. We expect a modest increase in expenses, excluding the impact of the FDIC

special assessment described above, throughout the remainder of the year due to increased personnel and the addition of two new offices scheduled to open within a few months.

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Company Information

We were incorporated in the State of Tennessee on February 28, 2000. Our principal executive offices are located at 211 Commerce Street, Suite 300, Nashville, Tennessee 37201 and our telephone number at these offices is (615) 744-3700. Our internet address is www.pnfp.com. The information contained on our web site is not part of this prospectus supplement.

The Offering

The following summary contains basic information about our common stock and is not intended to be complete. It does not contain all the information that is important to you. For a more complete description of our common stock, see **Description of Common Stock** beginning on page S-20.

Common stock we are offering	shares of our common stock, par value \$1.00 per share.
Option to purchase additional shares	The underwriter may purchase up to an additional shares of common stock from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement.
Common stock outstanding after this offering (1)(2)	shares
Net proceeds	The net proceeds of this offering will be approximately \$ (after deducting offering expenses payable by us) based on the public offering price of \$ per share.
Use of proceeds	We intend to use the net proceeds of this offering for general corporate purposes, including additional capital contributions to Pinnacle National. After completion of an evaluation of our capital position, and discussions with our primary regulators, we may seek regulatory approval to redeem all of the shares of our Fixed Rate Cumulative Perpetual Preferred Stock, Series A, which we refer to as our Series A preferred stock, which we issued to the Treasury as part of the Capital Purchase Program, or the CPP, under the Troubled Asset Relief Program, or TARP. We will undertake the proposed redemption with our available cash resources. In addition, we may purchase the remaining outstanding portion of the warrants we issued to the Treasury in connection with that transaction. There can be no assurance as to when, or if, we can redeem our Series A preferred stock or whether we will repurchase the outstanding portion of the warrants following the redemption of the Series A preferred stock.
NASDAQ Global Select Market symbol	PNFP
Risk Factors	An investment in our common stock involves certain risks. You should carefully consider the risks described below under the heading Risk Factors , before you purchase any shares of our common stock.

- (1) The number of shares of common stock outstanding immediately after the closing of this offering is based on 24,075,173 shares of common stock outstanding as of June 9, 2009.
- (2) Unless otherwise indicated, the number of shares of common stock presented in this prospectus supplement excludes shares issuable pursuant to the exercise of the underwriter's over-allotment

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option, 2,156,421 shares of common stock issuable upon exercise of outstanding options under our equity incentive plans as of June 9, 2009 and 879,910 shares of common stock issuable upon the exercise of various warrants (including the warrant for 534,910 shares of common stock held by the Treasury). Of the options and warrants outstanding as of June 9, 2009, 1,605,981 options were exercisable as of that date at a weighted average exercise price of \$13.80. The exercise price for the 534,910 warrants held by the Treasury is \$26.64 and for the 345,000 warrants held by our organizers is \$5.00.

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The following table sets forth summary historical consolidated financial data from our consolidated financial statements and should be read in conjunction with our consolidated financial statements including the related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations set forth in our annual report on Form 10-K for the year ended December 31, 2008 and incorporated by reference into this prospectus supplement. Except for the data under Performance Ratios and Other Data and Asset Quality Ratios, the summary historical consolidated financial data as of December 31, 2008, 2007, 2006, 2005 and 2004 and for the years ended December 31, 2008, 2007, 2006, 2005 and 2004 is derived from our audited consolidated financial statements and related notes, which were audited by KPMG LLP, an independent registered public accounting firm. The summary historical consolidated financial data as of and for the three months ended March 31, 2009 and March 31, 2008 is derived from unaudited consolidated financial statements for those periods included in our quarterly reports on Form 10-Q for those periods. The unaudited consolidated financial statements include all adjustments, consisting only of normal recurring items, which our management considers necessary for a fair presentation of our financial position and results of operations for these periods filed in our quarterly report on Form 10-Q for the quarter ended March 31, 2009. The financial condition and results of operations as of and for the three months ended March 31, 2009 do not purport to be indicative of the financial condition or results of operations to be expected as of or for the fiscal year ending December 31, 2009. For more information, see the sections entitled Where You Can Find More Information and Incorporation Of Certain Information By Reference.

	Three Months Ended		For the Years Ended December 31,				
	March 31,	March 31,	2008	2007	2006	2005	2004
	2009	2008					
	(Unaudited)		(In thousands, except per share data, ratios and percentages)				

**Statement of
Financial Condition****Data:**

Total assets	\$ 4,952,151	\$ 3,889,286	\$ 4,754,075	\$ 3,794,170	\$ 2,142,187	\$ 1,016,772	\$ 727,139
Loans, net of unearned income	3,473,959	2,866,536	3,354,907	2,749,641	1,497,735	648,024	472,362
Allowance for loan losses	45,334	29,871	36,484	28,470	16,118	7,858	5,650
Total securities	868,472	505,377	849,781	522,685	346,494	279,080	208,170
Goodwill and core deposit intangibles	260,233	260,043	261,032	260,900	125,673		
Deposits and securities sold under agreements to repurchase	3,960,548	3,138,211	3,717,544	3,081,390	1,763,427	875,985	602,655
Advances from FHLB and other borrowings	222,039	168,606	273,609	141,666	53,726	41,500	53,500
Subordinated debt	97,476	82,476	97,476	82,476	51,548	30,929	10,310
Stockholders equity	631,646	477,158	627,298	466,610	256,017	63,436	57,880

Income Statement**Data:**

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Interest income	\$	49,518	\$	52,161	\$	206,082	\$	150,931	\$	109,696	\$	46,308	\$	27,679
Interest expense		20,818		24,802		91,867		75,219		48,743		17,270		7,415
Net interest income		28,700		27,359		114,215		75,712		60,953		29,038		20,264
Provision for loan losses		13,610		1,591		11,214		4,720		3,732		2,152		2,948
Net interest income after provision for loan losses		15,091		25,768		103,001		70,992		57,221		26,886		17,316
Noninterest income		13,136		8,367		34,718		22,521		15,786		5,394		4,978
Noninterest expense		25,243		25,492		94,478		60,480		46,624		21,032		14,803
Income before income taxes		2,983		8,644		43,241		33,033		26,383		11,248		7,491
Income tax expense		893		2,579		12,367		9,992		8,456		3,193		2,172
Net income	\$	2,090	\$	6,065	\$	30,874	\$	23,041	\$	17,927	\$	8,055	\$	5,319
Preferred dividends and accretion on common stock warrants		1,447				309								
Net income available to common stockholders	\$	643	\$	6,065	\$	30,565	\$	23,041	\$	17,927	\$	8,055	\$	5,319

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	Three Months Ended		For the Years Ended December 31,				
	March 31,	March 31,	2008	2007	2006	2005	2004
	2009	2008					
	(Unaudited)						
(In thousands, except per share data, ratios and percentages)							
Share Data:							
Dividends per share available to common holders basic \$	0.03	\$ 0.27	\$ 1.34	\$ 1.43	\$ 1.28	\$ 0.96	\$ 0.00
Weighted average shares outstanding	23,510,944	22,331,398	22,793,699	16,100,076	13,954,077	8,408,663	7,750,900
Dividends per share available to common holders diluted \$	0.03	\$ 0.26	\$ 1.27	\$ 1.34	\$ 1.18	\$ 0.85	\$ 0.00
Weighted average shares outstanding diluted	24,814,408	23,484,754	24,053,972	17,255,543	15,156,837	9,464,500	8,698,100
Book value per common share	\$ 22.57	\$ 21.22	\$ 22.68	\$ 20.96	\$ 16.57	\$ 7.53	\$ 6.00
Common shares outstanding at end of period	24,060,703	22,467,263	23,762,124	22,264,817	15,446,074	8,426,551	8,389,200
Performance Ratios and Other							
Return on average assets(1)	0.05%	0.65%	0.74%	0.96%	1.01%	0.93%	0.00%
Return on average assets to common holders(1)	0.41%	5.14%	6.13%	8.34%	8.66%	13.23%	12.00%
Interest expense to average assets(2)	2.72%	3.37%	3.17%	3.55%	3.90%	3.60%	3.00%
Interest expense to average assets(3)	2.43%	2.94%	2.78%	2.88%	3.20%	3.16%	3.00%
Interest expense to average assets(4)	1.09%	0.89%	0.84%	0.94%	0.89%	0.62%	0.00%
Interest expense to average assets(5)	2.10%	2.71%	2.30%	2.53%	2.61%	2.42%	2.00%
Debt to equity ratio(4)	60.34%	71.35%	63.43%	61.57%	60.76%	61.08%	58.00%
Large loan to large deposit	93.64%	95.84%	97.70%	94.88%			

