

**Pinnacle Financial Partners, Inc. (NASDAQ: PNFP; Nashville, TN) has agreed to acquire Avenue Financial Holdings, Inc. (NASDAQ: AVNU; Nashville, TN)**

**Deal Value: Approximately \$201.4 Million**

Sandler O'Neill served as financial advisor to Pinnacle Financial Partners, Inc. in connection with the transaction. This transaction represents Sandler O'Neill's 65<sup>th</sup> bank or thrift transaction nationwide since January 1, 2015 representing \$22.4 billion in aggregate transaction value, more than any other investment bank during that time period.<sup>1</sup>

Since January 1, 2015, Sandler O'Neill has advised on 20 Southeast bank or thrift transactions with an aggregate deal value of approximately \$4.2 billion, more than any other investment bank during that time period.<sup>1</sup>

Pinnacle Financial Partners, Inc. (Nasdaq/NGS: PNFP) ("Pinnacle") and Avenue Financial Holdings, Inc. (Nasdaq/NGS: AVNU) ("Avenue") jointly announced today the signing of a definitive agreement for Avenue to merge into Pinnacle. The proposed merger of Avenue with and into Pinnacle has been approved unanimously by each company's Board of Directors and is expected to close either late in the second quarter or early in the third quarter of 2016. Completion of the transaction is subject to satisfaction of customary closing conditions, including the receipt of required regulatory approvals and the approval of Avenue's shareholders. Avenue's bank subsidiary, Avenue Bank, and Pinnacle Bank are expected to merge simultaneously with the merger of the respective parent companies.

Under the terms of the merger agreement, Avenue shareholders will receive 0.36 shares of Pinnacle's common stock and \$2.00 in cash for every Avenue share. All fractional shares will be cashed out based on the average 10-day closing price of Pinnacle common stock as of the closing. Additionally, Avenue's outstanding stock options will be fully vested upon consummation of the merger pursuant to Avenue's stock option plan, and all outstanding Avenue options that are unexercised prior to the closing will be cashed out at \$20 per share. At closing, and assuming all outstanding Avenue options are cashed out as of the merger date, Avenue shareholders will own approximately 8.1 percent of the combined firm on a fully diluted basis.

The transaction is currently valued at approximately \$201.4 million based on Pinnacle's 10-day average closing price through Jan. 28, 2016, and is comprised of stock consideration of approximately 3.7 million shares of PNFP common stock and \$23.2 million in cash. In addition to the merger consideration, Pinnacle will assume \$20.0 million of subordinated debt previously issued by Avenue.

Systems conversions are scheduled to be completed during the third or fourth quarter of 2016. Until that time, Avenue will continue to operate under its current brand as a division of Pinnacle Bank once the merger is consummated.

### Financial Highlights

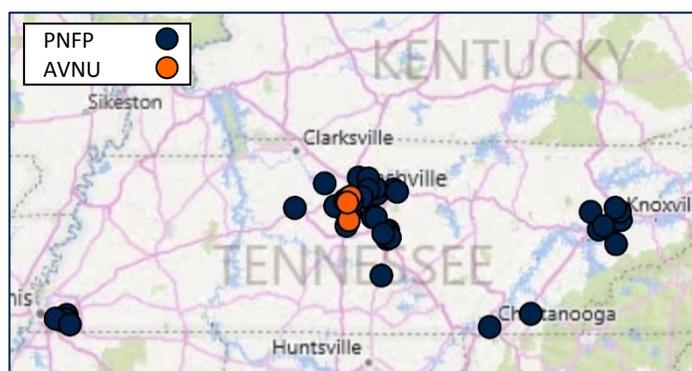
	<u>PNFP</u>	<u>AVNU</u>
Total Assets	\$8,709	\$1,162
Net Loans	\$6,526	\$836
Deposits	\$6,971	\$970
Equity	\$1,156	\$95
TCE/TA	8.6%	7.9%

**Notes:**

Dollars in millions; Financial data as of December 31, 2015

<sup>1</sup>Source: SNL Financial; excludes terminated transactions and self-advisory roles

### Pro Forma Branch Network



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