

Pinnacle Financial Partners, Inc. (NASDAQ: PNFP; Nashville, TN) subsidiary, Pinnacle Bank, has acquired a minority equity interest position in Bankers Healthcare Group, Inc. (Private)

Deal Value: \$75 million

Sandler O'Neill served as financial advisor to Pinnacle Financial Partners, Inc. and Pinnacle Bank in connection with the transaction. This transaction represents Sandler O'Neill's 81st financial services transaction since January 1, 2014, more than any other investment bank over this period.¹

This transaction represents Sandler O'Neill's 5th specialty finance transaction since January 1, 2014.¹

Pinnacle Financial Partners, Inc. (Nasdaq/NGS: PNFP) subsidiary, Pinnacle Bank, reported that it has acquired a 30 percent interest in Bankers Healthcare Group, Inc. ("BHG"), a privately-held company, for \$75 million.

BHG is a leading provider of financing solutions for healthcare professionals throughout the United States. BHG's loan originations are sourced through a variety of distribution channels and primarily sold through an online auction process to a network of approximately 200 community banks. For the twelve months ended December 31, 2014, BHG reported total revenues of approximately \$98 million and pretax income of approximately \$49 million.

"BHG's reputation in the medical community, growth trajectory and solid leadership make for a strong partnership," said M. Terry Turner, Pinnacle's president and chief executive officer. "We have enjoyed partnering with BHG over the last few years on several initiatives and look forward to working more closely together. We are particularly excited about incremental potential to expand our financial services through their national distribution channel. While Pinnacle's affiliation has the potential to have a modest impact on our balance sheet volumes, the investment will primarily serve to increase and diversify our fee income, which has been an important strategic objective for our firm."

"We are very excited about our affiliation with Pinnacle," said Al Crawford, BHG's chief executive officer and one of its three founders. "We believe that, as a result of this partnership, we will be even better positioned to continue the growth and profitability we have enjoyed. We look forward to exploring new opportunities that are available to both firms."

Under the terms of the investment, Pinnacle will designate one member of BHG's four-person board, and BHG's three founders and executive officers will retain a 70 percent beneficial ownership interest in BHG and have contractually agreed to remain with the firm for an extended period of time. Pinnacle anticipates approximately 7% to 9% accretion to its estimated earnings per share in 2015. The investment was funded through a combination of cash and bank debt.

⁽¹⁾ Source: SNL Financial. Excludes terminated transactions and self-advisory roles

Sandler O'Neill Contacts:
3424 Peachtree Road NE, Suite 2050
Atlanta, GA 30326

Peter Finnerty
Principal
(404) 442-2865

Andy Mutch
Vice President
(404) 442-2879

Michael Thaden
Analyst
(404) 442-2890