

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO
SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): October 27, 2016

CAPSTAR FINANCIAL HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Tennessee
(State or other jurisdiction of
incorporation)

001-37886
(Commission File Number)

81-1527911
(IRS Employer Identification
No.)

201 4th Avenue North, Suite 950
Nashville, Tennessee
(Address of principal executive
offices)

37219
(Zip Code)

Registrant's telephone number, including area code (615) 732-6400

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 – Financial Information

Item 2.02. Results of Operations and Financial Condition.

On October 27, 2016, CapStar Financial Holdings, Inc. (the “**Company**”) issued an earnings release announcing its financial results for the third quarter ended September 30, 2016. A copy of the earnings release is furnished as Exhibit 99.1 to this Current Report on Form 8-K (this “**Report**”) and is incorporated herein by reference in its entirety.

Section 7 – Regulation FD

Item 7.01. Regulation FD Disclosure.

The Company will conduct a conference call at 9:00 a.m. (Central Time) on October 28, 2016 to discuss its financial results for the third quarter ended September 30, 2016. A copy of the presentation to be used for the conference call is furnished as Exhibit 99.2 to this Report and is incorporated herein by reference in its entirety.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit 99.1	Earnings release issued on October 27, 2016 by CapStar Financial Holdings, Inc.
Exhibit 99.2	Presentation for conference call to be conducted by CapStar Financial Holdings, Inc. on October 28, 2016

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CAPSTAR FINANCIAL HOLDINGS, INC.

By: /s/ Robert B. Anderson
Robert B. Anderson
Chief Financial Officer and Chief Administrative Officer

Date: October 27, 2016

EXHIBIT INDEX

Exhibit Number	Description
99.1	Earnings release issued on October 27, 2016 by CapStar Financial Holdings, Inc.
99.2	Presentation for conference call to be conducted by CapStar Financial Holdings, Inc. on October 28, 2016

EARNINGS RELEASE

CONTACT

Rob Anderson
Chief Financial Officer and Chief Administrative Officer
(615) 732-6470

**CAPSTAR FINANCIAL HOLDINGS, INC. ANNOUNCES THIRD QUARTER 2016 RESULTS**

NASHVILLE, Tenn., October 27, 2016 /PRNewswire/ -- CapStar Financial Holdings, Inc. ("CapStar") (NASDAQ:CSTR) reported net income of \$2.1 million, or \$0.20 per diluted common share for the three months ended September 30, 2016, compared to \$2.0 million, or \$0.20 per diluted common share, for the three months ended September 30, 2015. For the nine months ended September 30, 2016, CapStar reported net income of \$6.2 million, or \$0.58 per diluted common share, compared to \$5.5 million, or \$0.53 per diluted common share, for the nine months ended September 30, 2015.

"Our emphasis has always been on the principles of sound, profitable growth, which is evident in CapStar's results this quarter," said Claire Tucker president and chief executive officer of CapStar Financial Holdings, Inc. "With the completion of our initial public offering on September 27, 2016 and the injection of new capital, we will continue to emphasize the importance of these principles in order to realize our future growth objectives and enhance long-term shareholder value."

Soundness

- The allowance for loan and lease losses represented 1.25% of total loans at September 30, 2016 compared to 1.24% at September 30, 2015.
- Non-performing assets as a percent of gross loans and other real estate owned was 0.45% at September 30, 2016 compared to 0.42% at September 30, 2015.
- Net charge-offs (quarters annualized) totaled 0.25% for the three months ended September 30, 2016, compared to -0.10% for the same period in 2015.
- The total risk based capital ratio increased to 12.45% at September 30, 2016, compared to 11.43% at September 30, 2015.

"While the third quarter is typically one of our strongest performances of the year due to the seasonality in our mortgage business, we are pleased with the core earnings of the company," said Rob Anderson, chief financial officer and chief administrative officer.

Profitability

- Return on average assets for the three months ended September 30, 2016 was 0.65% compared to 0.71% for the same period in 2015.
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- Return on average equity for the three months ended September 30, 2016 was 7.15% compared to 7.50% for the same period in 2015.
- The net interest margin (“NIM”) for the three months ended September 30, 2016 was 3.23% compared to 3.45% for the same period in 2015. Additionally, the NIM was up 14 basis points over the linked quarter.
- The efficiency ratio for the three months ended September 30, 2016 was 64.0% compared to 71.4% for the same period in 2015.

Growth

- Average gross loans and leases (including loans held for sale) increased 27%, to \$982 million at September 30, 2016 compared to \$774 million at September 30, 2015.
- Average total deposits increased 17%, to \$1.1 billion at September 30, 2016 compared to \$971 million at September 30, 2015.
- Non-interest bearing and NOW deposits increased 53%, to \$491 million at September 30, 2016 compared to \$321 million at September 30, 2015.
- Originations of mortgage loans held for sale increased 51%, to \$156 million at September 30, 2016 compared to \$103 million at September 30, 2015.

Conference Call and Webcast Information

CapStar will host a conference call and webcast at 9:00 a.m. Central Time on Friday, October 28, 2016. During the call, management will review the third quarter results and operational highlights. Interested parties may listen to the call by dialing (844) 412-1102. The conference ID number is 96905694. A simultaneous webcast may be accessed on CapStar’s website at www.capstarbank.com. An archived version of the webcast will be available in the same location shortly after the live call has ended.

About CapStar Financial Holdings, Inc.

CapStar Financial Holdings, Inc. is a bank holding company headquartered in Nashville, Tennessee, and operates primarily through its wholly owned subsidiary, CapStar Bank, a Tennessee-chartered state bank. CapStar Bank is a commercial bank that seeks to establish and maintain comprehensive relationships with its clients by delivering customized and creative banking solutions and superior client service. As of September 30, 2016, on a consolidated basis, CapStar had total assets of \$1.3 billion, net loans of \$912.5 million, total deposits of \$1.1 billion, and shareholders’ equity of \$138.0 million. Visit www.capstarbank.com for more information.

Forward-Looking Statements

Certain statements in this earnings release are forward-looking statements that reflect CapStar’s current views with respect to, among other things, future events and CapStar’s financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “should,” “could,” “predict,” “potential,” “believe,” “will likely result,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “project,” “projection,” “forecast,” “goal,” “target,” “would,” and “outlook,” or the negative version of those words or other comparable words of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about CapStar’s industry, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond CapStar’s control. The inclusion of these forward-looking statements should not be regarded as a representation by CapStar or any other person that such expectations, estimates and projections will be achieved. Accordingly, CapStar cautions you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although CapStar believes that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-

looking statements. There are or will be important factors that could cause CapStar's actual results to differ materially from those indicated in these forward-looking statements, including, but are not limited to, the risk factors previously disclosed in the "Risk Factors" section included in our prospectus filed with the SEC on September 23, 2016 pursuant to Rule 424(b)(4) under the Securities Act. If one or more events related to these or other risks or uncertainties materialize, or if CapStar's underlying assumptions prove to be incorrect, actual results may differ materially from our forward-looking statements. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date of this earnings release, and CapStar does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. New risks and uncertainties may emerge from time to time, and it is not possible for CapStar to predict their occurrence or how they will affect CapStar.

CAPSTAR FINANCIAL HOLDINGS, INC. AND SUBSIDIARY

Consolidated Statements of Income (unaudited)

Third Quarter 2016 Earnings Release

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Interest income:				
Loans, including fees	\$ 10,658,758	\$ 9,428,826	\$ 29,531,404	\$ 25,834,421
Securities:				
Taxable	787,076	993,485	2,596,059	3,277,535
Tax-exempt	291,110	277,365	841,264	802,029
Federal funds sold	3,597	3,089	12,107	13,138
Restricted equity securities	70,609	67,528	209,654	200,174
Interest-bearing deposits in financial institutions	63,455	32,354	197,033	105,063
Total interest income	11,874,605	10,802,647	33,387,521	30,232,360
Interest expense:				
Interest-bearing deposits	404,040	184,162	1,095,984	533,747
Savings and money market accounts	689,382	650,735	2,140,405	2,039,751
Time deposits	545,733	492,178	1,566,373	1,564,751
Federal funds purchased	13,097	7,510	20,917	14,604
Securities sold under agreements to repurchase	—	3,715	1,311	12,731
Federal Home Loan Bank advances	96,838	47,333	279,586	131,000
Total interest expense	1,749,090	1,385,633	5,104,576	4,296,584
Net interest income	10,125,515	9,417,014	28,282,945	25,935,776
Provision for loan and lease losses	1,638,669	580,000	2,758,749	1,300,675
Net interest income after provision for loan and lease losses	8,486,846	8,837,014	25,524,196	24,635,101
Noninterest income:				
Service charges on deposit accounts	276,751	235,035	805,322	667,415
Loan commitment fees	328,785	306,231	901,524	631,130
Net gain (loss) on sale of securities	(3,964)	38,673	120,873	95,584
Net gain on sale of loans	2,339,310	1,748,883	5,341,605	4,699,177
Other noninterest income	250,581	305,837	961,103	872,047
Total noninterest income	3,191,463	2,634,659	8,130,427	6,965,353
Noninterest expense:				
Salaries and employee benefits	5,119,356	5,205,896	15,275,494	14,628,293
Data processing and software	627,335	562,544	1,830,553	1,776,955
Professional fees	390,862	374,496	1,147,733	1,113,776
Occupancy	351,691	381,522	1,132,664	1,172,163
Equipment	458,053	442,899	1,300,793	1,201,084
Regulatory fees	250,424	227,053	742,308	688,965
Other real estate expense	—	6,562	13,880	33,812
Other operating	1,329,084	1,402,927	3,043,915	3,038,706
Total noninterest expense	8,526,805	8,603,899	24,487,340	23,653,754
Income before income taxes	3,151,504	2,867,774	9,167,283	7,946,700
Income tax expense	1,042,282	831,307	2,997,965	2,480,231
Net income	\$ 2,109,222	\$ 2,036,467	\$ 6,169,318	\$ 5,466,469
Per share information:				
Basic net income per common share	\$ 0.24	\$ 0.24	\$ 0.71	\$ 0.64
Diluted net income per common share	\$ 0.20	\$ 0.20	\$ 0.58	\$ 0.53
Weighted average shares outstanding:				
Basic	8,792,665	8,554,802	8,701,596	8,526,840
Diluted	10,799,536	10,407,721	10,682,976	10,364,278

This information is preliminary and based on company data available at the time of the presentation.

CAPSTAR FINANCIAL HOLDINGS, INC. AND SUBSIDIARY

Selected Quarterly Financial Data (unaudited)

Third Quarter 2016 Earnings Release

	Five Quarter Comparison				
	9/30/16	6/30/16	3/31/16	12/31/15	9/30/15
Income Statement Data:					
Net interest income	\$ 10,125,515	\$ 9,201,155	\$ 8,956,275	\$ 8,837,446	\$ 9,417,014
Provision for loan and lease losses	1,638,669	182,863	937,216	350,000	580,000
Net interest income after provision for loan and lease losses	8,486,845	9,018,292	8,019,059	8,487,446	8,837,014
Service charges on deposit accounts	276,751	303,144	225,427	242,282	235,035
Loan commitment fees	328,785	142,618	430,122	191,032	306,231
Net gain (loss) on sale of securities	(3,964)	85,876	38,961	(40,561)	38,673
Net gain on sale of loans	2,339,310	1,654,843	1,347,452	1,262,590	1,748,883
Other noninterest income	250,582	381,711	328,809	262,814	305,837
Total noninterest income	3,191,463	2,568,192	2,370,772	1,918,157	2,634,659
Salaries and employee benefits	5,119,356	4,938,383	5,217,755	4,650,035	5,205,896
Data processing and software	627,335	634,742	568,477	539,752	562,544
Professional fees	390,862	426,132	330,738	355,255	374,496
Occupancy	351,691	371,092	409,881	365,994	381,522
Equipment	458,053	436,168	406,571	397,072	442,899
Regulatory fees	250,424	264,625	227,260	225,994	227,053
Other real estate expense	0	6,080	7,800	1,784	6,562
Other operating	1,329,084	873,572	841,259	787,134	1,402,927
Total noninterest expense	8,526,805	7,950,794	8,009,741	7,323,020	8,603,899
Net income before income tax expense	3,151,504	3,635,690	2,380,090	3,082,583	2,867,773
Income tax expense	1,042,282	1,159,438	796,245	989,615	831,307
Net income	\$ 2,109,222	\$ 2,476,252	\$ 1,583,845	\$ 2,092,968	\$ 2,036,467
Weighted average shares - basic	8,792,665	8,682,438	8,628,683	8,574,965	8,554,803
Weighted average shares - diluted	10,799,536	10,675,916	10,572,193	10,434,171	10,407,722
Net income per share, basic	\$ 0.24	\$ 0.29	\$ 0.18	\$ 0.24	\$ 0.24
Net income per share, diluted	0.20	0.23	0.15	0.20	0.20
Balance Sheet Data (at period end):					
Cash and cash equivalents	\$ 73,450,735	\$ 97,546,046	\$ 76,706,579	\$ 100,184,841	\$ 64,133,775
Securities available for sale	167,213,109	171,336,596	189,807,985	173,382,957	170,219,581
Securities held to maturity	46,227,968	43,331,042	42,953,364	43,093,951	43,322,469
Loans held for sale	61,251,662	57,014,256	29,530,174	35,729,353	28,769,990
Total loans and leases	924,030,515	887,437,485	837,690,395	808,396,064	782,436,559
Allowance for loan and lease losses	(11,510,464)	(10,453,603)	(10,298,559)	(10,131,729)	(9,700,040)
Total assets	1,318,057,325	1,310,417,841	1,223,179,646	1,206,800,280	1,135,471,317
Non-interest-bearing deposits	191,469,462	193,541,662	220,686,364	190,580,468	187,104,757
Interest-bearing deposits	944,590,330	949,759,113	865,650,400	847,879,843	787,906,354
Federal Home Loan Bank advances	30,000,000	40,000,000	15,000,000	45,000,000	35,000,000
Total liabilities	1,179,630,825	1,196,099,660	1,112,320,842	1,098,214,173	1,027,765,928
Shareholders' equity	138,426,500	114,318,181	110,858,804	108,586,107	107,705,389
Total common shares outstanding	11,191,021	8,683,902	8,677,902	8,577,051	8,565,051
Total preferred shares outstanding	878,049	1,609,756	1,609,756	1,609,756	1,609,756
Book value per common share	11.57	11.26	10.87	10.74	10.65
Market value per common share (1)	16.92	-	-	-	-
Capital ratios:					
Total risk based capital	12.45%	10.67%	11.26%	11.42%	11.43%
Tier 1 risk based capital	11.46%	9.73%	10.26%	10.41%	10.44%
Common equity tier 1 capital	10.75%	8.34%	8.75%	8.89%	8.88%
Leverage	10.47%	8.90%	9.16%	9.33%	9.18%

(1) CapStar Financial Holdings, Inc. completed its initial public offering during the third quarter of 2016. As such, market values per share of common stock are not provided for previous periods.

This information is preliminary and based on company data available at the time of the presentation.

CAPSTAR FINANCIAL HOLDINGS, INC. AND SUBSIDIARY

Selected Quarterly Financial Data (unaudited)

Third Quarter 2016 Earnings Release

	Five Quarter Comparison				
	9/30/16	6/30/16	3/31/16	12/31/15	9/30/15
Average Balance Sheet Data:					
Average cash and cash equivalents	55,054,076	56,458,924	67,706,162	63,187,062	65,209,244
Average investment securities	218,462,999	232,587,954	220,281,801	216,982,746	252,504,136
Average loans held for sale	63,640,373	43,055,160	29,798,738	27,338,722	32,836,386
Average loans and leases	918,301,556	873,984,373	822,111,590	790,899,319	741,454,925
Average assets	1,296,870,515	1,247,076,866	1,181,427,683	1,140,126,959	1,134,200,077
Average interest bearing deposits	944,794,017	909,027,610	837,952,639	781,893,266	788,820,905
Average total deposits	1,132,037,604	1,093,452,418	1,027,457,215	973,109,277	971,402,676
Average Federal Home Loan Bank advances	29,565,217	27,417,582	28,021,978	39,891,304	35,000,000
Average liabilities	1,179,480,497	1,134,506,177	1,070,607,967	1,030,995,222	1,026,417,411
Average shareholders' equity	117,390,018	112,570,689	110,819,715	109,131,737	107,782,666
Performance Ratios:					
Annualized return on average assets	0.65%	0.80%	0.54%	0.73%	0.71%
Annualized return on average equity	7.15%	8.85%	5.75%	7.61%	7.50%
Net interest margin	3.23%	3.09%	3.18%	3.22%	3.45%
Annualized Non-interest income to average assets	0.98%	0.83%	0.81%	0.67%	0.92%
Efficiency ratio	64.0%	67.6%	70.7%	68.1%	71.4%
Loans by Type:					
Commercial and industrial	389,717,893	389,087,927	381,548,046	353,442,069	350,023,393
Commercial real estate - owner occupied	108,920,619	104,345,021	104,243,080	108,132,048	95,118,531
Commercial real estate - non-owner occupied	163,625,512	171,426,074	161,466,867	143,064,438	138,486,067
Construction and development	91,366,437	63,744,151	52,479,785	52,521,802	48,928,400
Consumer real estate	96,918,661	91,090,508	90,393,165	93,785,260	92,240,059
Consumer	7,045,978	7,486,178	8,291,223	8,668,242	8,813,950
Other	67,805,899	61,669,965	40,698,880	50,196,845	50,114,909
Asset Quality Data:					
Allowance for loan and lease losses to total loans	1.25%	1.18%	1.23%	1.25%	1.24%
Allowance for loan and lease losses to non-performing loans	279%	179%	184%	377%	328%
Nonaccrual loans	4,122,942	5,829,423	5,586,503	2,689,000	2,961,529
Troubled debt restructurings	1,288,324	-	-	125,000	133,326
Loans - 90 days past due & still accruing	-	-	-	-	-
Total non-performing loans	4,122,942	5,829,423	5,586,503	2,689,000	2,961,529
OREO and repossessed assets	-	-	-	216,254	335,254
Total non-performing assets	4,122,942	5,829,423	5,586,503	2,905,000	3,296,783
Non-performing loans to total loans	0.45%	0.66%	0.67%	0.33%	0.38%
Non-performing assets to total assets	0.31%	0.44%	0.46%	0.24%	0.29%
Non-performing assets to total loans and OREO	0.45%	0.66%	0.67%	0.36%	0.42%
Annualized net charge-offs to average loans	0.25%	0.01%	0.38%	-0.04%	-0.10%
Net charge-offs (recoveries)	581,809	27,819	770,386	(81,689)	(181,522)
Other Information:					
Full-time equivalent employees	168	166	163	162	159

This information is preliminary and based on company data available at the time of the presentation.



CAPSTAR

FINANCIAL HOLDINGS, INC.

**Third Quarter 2016
Earnings Call
October 28, 2016**

Disclaimer

Terminology

The terms “we,” “our,” “us,” “the Company,” “CSTR” and “CapStar” that appear in this presentation refer to CapStar Financial Holdings, Inc. and its wholly-owned subsidiary, CapStar Bank. The terms “CapStar Bank,” “the bank” and “our bank” that appear in this presentation refer to CapStar Bank.

Contents of Presentation

Except as is otherwise expressly stated in this presentation, the contents of this presentation are presented as of the date on the front cover of this presentation.

Market Data

Market data used in this presentation has been obtained from government and independent industry sources and publications available to the public, sometimes with a subscription fee, as well as from research reports prepared for other purposes. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. CSTR did not commission the preparation of any of the sources or publications referred to in this presentation. CSTR has not independently verified the data obtained from these sources, and, although CSTR believes such data to be reliable as of the dates presented, it could prove to be inaccurate. Forward-looking information obtained from these sources is subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements in this presentation.

Non-GAAP Disclaimer

This presentation includes the following financial measures that have been prepared other than in accordance with generally accepted accounting principles in the United States (“non-GAAP financial measures”): pre-tax, pre-provision net income, pre-tax, pre-provision return on average assets, tangible equity, tangible common equity, tangible assets, return on average tangible equity, book value per share (as adjusted), tangible book value per share (as reported and as adjusted), tangible equity to tangible assets and adjusted shares outstanding at end of period. CSTR non-GAAP financial measures (i) provide useful information to management and investors that is supplementary to its financial condition, results of operations and cash flows computed in accordance with GAAP, (ii) enable a more complete understanding of factors and trends affecting the Company’s business, and (iii) allow investors to evaluate the Company’s performance in a manner similar to management, the financial services industry, bank stock analysts and bank regulators; however, CSTR acknowledges that its non-GAAP financial measures have a number of limitations. As such, you should not view these disclosures as a substitute for results determined in accordance with GAAP, and they are not necessarily comparable to non-GAAP financial measures that other companies use. See the Appendix to this presentation for a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures.

Safe Harbor Statements

Certain statements in this presentation are forward-looking statements that reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “should,” “could,” “predict,” “potential,” “believe,” “will likely result,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “project,” “projection,” “forecast,” “goal,” “target,” “would,” and “outlook,” or the negative version of those words or other comparable words of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. The inclusion of these forward-looking statements should not be regarded as a representation by us or any other person that such expectations, estimates and projections will be achieved. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. There are or will be important factors that could cause our actual results to differ materially from those indicated in these forward-looking statements, including, but are not limited to, the following:

Economic conditions (including interest rate environment, government economic and monetary policies, the strength of global financial markets and inflation and deflation) that impact the financial services industry as a whole and/or our business; the concentration of our business in the Nashville metropolitan statistical area (“MSA”) and the effect of changes in the economic, political and environmental conditions on this market; increased competition in the financial services industry, locally, regionally or nationally, which may adversely affect pricing and the other terms offered to our clients; our dependence on our management team and board of directors and changes in our management and board composition; our reputation in the community; our ability to execute our strategy and to achieve loan and deposit growth through organic growth and strategic acquisitions; credit risks related to the size of our borrowers and our ability to adequately assess and limit our credit risk; our concentration of large loans to a small number of borrowers; the significant portion of our loan portfolio that originated during the past two years and therefore may less reliably predict future collectability than older loans; the adequacy of reserves (including our allowance for loan and lease losses) and the appropriateness of our methodology for calculating such reserves; adverse trends in the healthcare service industry, which is an integral component of our market’s economy; our management of risks inherent in our commercial real estate loan portfolio, and the risk of a prolonged downturn in the real estate market, which could impair the value of our collateral and our ability to sell collateral upon any foreclosure; governmental legislation and regulation, including changes in the nature and timing of the adoption and effectiveness of new requirements under the Dodd-Frank Act of 2010, as amended, Basel guidelines, capital requirements, accounting regulation or standards and other applicable laws and regulations; the loss of large depositor relationships, which could force us to fund our business through more expensive and less stable sources; operational and liquidity risks associated with our business, including liquidity risks inherent in correspondent banking; volatility in interest rates and our overall management of interest rate risk, including managing the sensitivity of our interest-earning assets and interest-bearing liabilities to interest rates, and the impact to our earnings from a change in interest rates; the potential for our bank’s regulatory lending limits and other factors related to our size to restrict our growth and prevent us from effectively implementing our business strategy; strategic acquisitions we may undertake to achieve our goals; the sufficiency of our capital, including sources of capital and the extent to which we may be required to raise additional capital to meet our goals; fluctuations to the fair value of our investment securities that are beyond our control; deterioration in the fiscal position of the U.S. government and downgrades in Treasury and federal agency securities; potential exposure to fraud, negligence, computer theft and cyber-crime; the adequacy of our risk management framework; our dependence on our information technology and telecommunications systems and the potential for any systems failures or interruptions; our dependence upon outside third parties for the processing and handling of our records and data; our ability to adapt to technological change; the financial soundness of other financial institutions; our exposure to environmental liability risk associated with our lending activities; our engagement in derivative transactions; our involvement from time to time in legal proceedings and examinations and remedial actions by regulators; the susceptibility of our market to natural disasters and acts of God; and the effectiveness of our internal controls over financial reporting and our ability to remediate any future material weakness in our internal controls over financial reporting.

The foregoing factors should not be construed as exhaustive and should be read in conjunction with the section entitled “Risk Factors” included in the Company’s prospectus filed with the United States Securities and Exchange Commission on September 23, 2016. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from our forward-looking statements. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date of this presentation, and we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. New risks and uncertainties may emerge from time to time, and it is not possible for us to predict their occurrence or how they will affect us.

Overview of CapStar Financial Holdings, Inc.



- ❖ Founded in 2007 and led by an **experienced management team** with strong ties to the local community
- ❖ **Growth** since inception **organically** and through acquisitions
- ❖ Client-centric mentality **committed** to serving local small and medium sized businesses and high net worth individuals in the Middle Tennessee market
- ❖ **Tailored** client solutions by remaining **nimble** in our footprint
- ❖ Focused on **Soundness, Profitability, and Growth**
- ❖ Developed additional lines of business to boost **revenue growth**

Balance Sheet (EOP)

Total Assets	\$ 1,318
Total Loans	985
Deposits	1,136
Tangible Equity *	132

Growth Since 2011

Asset CAGR	13.9 %
Loan CAGR	19.1 %
Deposit CAGR	13.6 %

YTD '16 Profitability

ROAA	0.66 %
PTPP ROAA *	1.28 %

Capital

Tang. Equity / Assets *	10.07 %
Tier 1 Leverage Ratio	10.47 %

Asset Quality

NPAs / Loans + OREO	0.45 %
NCOs / Avg Loans (YTD)	0.21 %
Reserves / Loans	1.25 %

Dollars in millions
Data as of or for the nine months ended 9/30/16
Note: loan data inclusive of loans held for sale

(1) Excludes Farmington mortgage origination offices
* Reconciliation provided in non-GAAP tables



Nashville Deposit Market Share

2016 - Top 15 Nashville, TN MSA Deposit Market Share

Rank	Institution	Headquarters	Deposits \$mm	Market Share	Branches
1	Bank of America Corp,	Charlotte, NC	\$ 8,420	16.1%	33
2	Regions Financial Corp.	Birmingham, AL	7,245	13.9%	67
3	Pinnacle Financial Partners, Inc.	Nashville, TN	6,167	11.8%	31
4	SunTrust Banks, Inc.	Atlanta, GA	5,965	11.4%	49
5	First Horizon National Corp.	Memphis, TN	3,400	6.5%	41
6	Franklin Financial Network, Inc.	Franklin, TN	2,365	4.5%	14
7	U.S. Bancorp	Minneapolis, MN	1,838	3.5%	55
8	Wilson Bank Holding Co.	Lebanon, TN	1,724	3.3%	22
9	Fifth Third Bancorp	Cincinnati, OH	1,518	2.9%	33
10	Wells Fargo & Company	San Francisco, CA	1,459	2.8%	12
11	CapStar Financial Holdings, Inc.	Nashville, TN	1,143	2.2%	5
12	First Farmers and Merchants Corp.	Columbia, TN	842	1.6%	14
13	FB Financial Corp,	Nashville, TN	825	1.6%	14
14	Commerce Union Bancshares, Inc.	Brentwood, TN	648	1.2%	7
15	Capital Bank Financial Corp.	Charlotte, NC	591	1.1%	19

CapStar MSA Deposit Market Share



Dollars in millions
 Source: SNL Financial
 Deposit market share and deposit data as of 6/30 for each respective year; pro forma for announced transactions

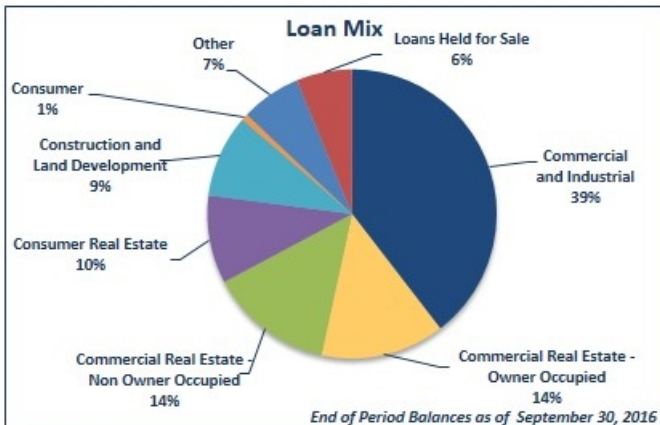
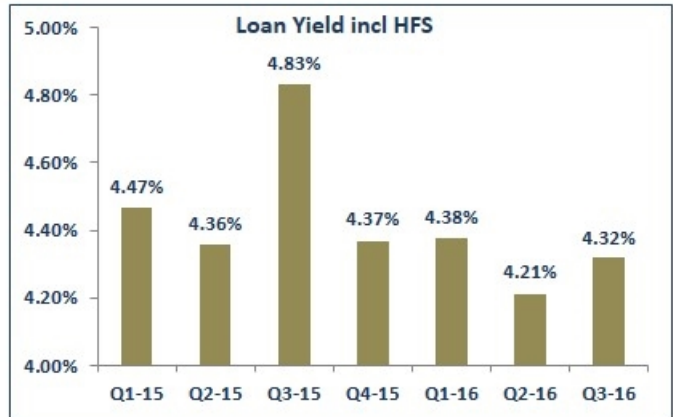
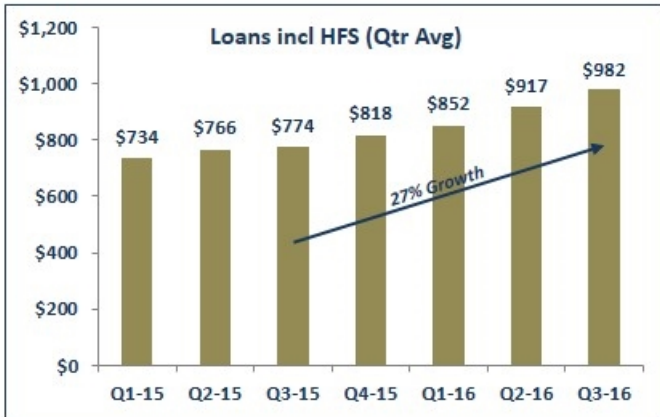
3Q16 Financial Highlights

- Successfully completed \$44.6MM IPO
- Net income at \$2.1MM and Fully Diluted EPS at \$0.20
- The following are third quarter results vs. the same period last year:
 - Core earnings (Pre-tax, Pre-Provision) up 39%
 - Average Loan growth up 27%
 - Average Deposit growth up 17%
 - Average DDA and NOW (combined) up 53%
 - Record Mortgage originations of \$156MM
 - Efficiency ratio improved to 64%
 - NIM improved to 3.23%
 - Charge-offs of 0.25%
 - Allowance for loan and lease losses at September 30 was \$11.5MM or 1.25%

3Q16 Summary Results/Financial Highlights

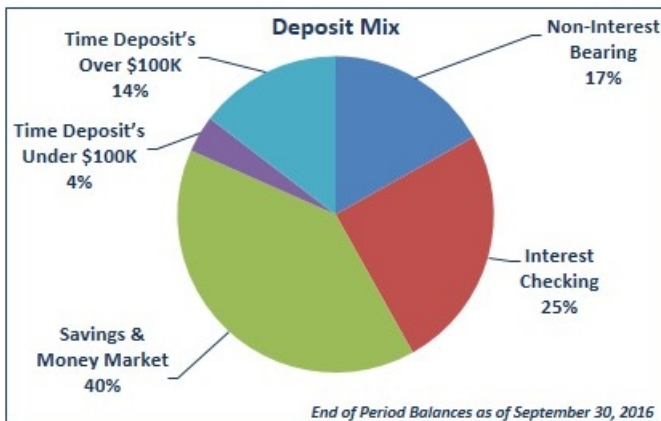
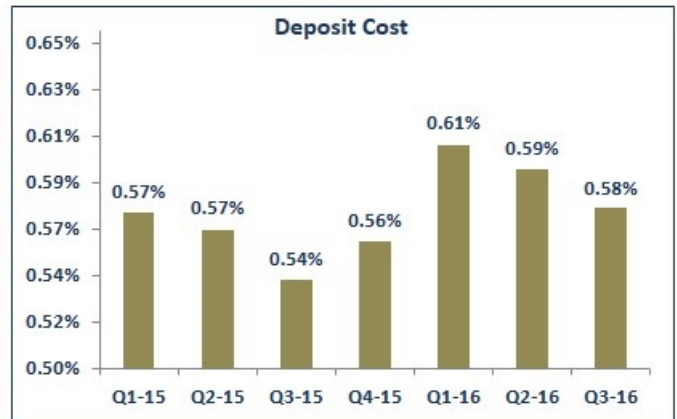
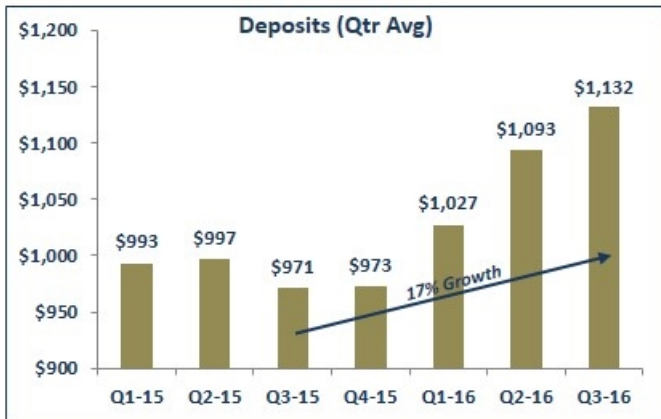


We continue to experience strong loan growth



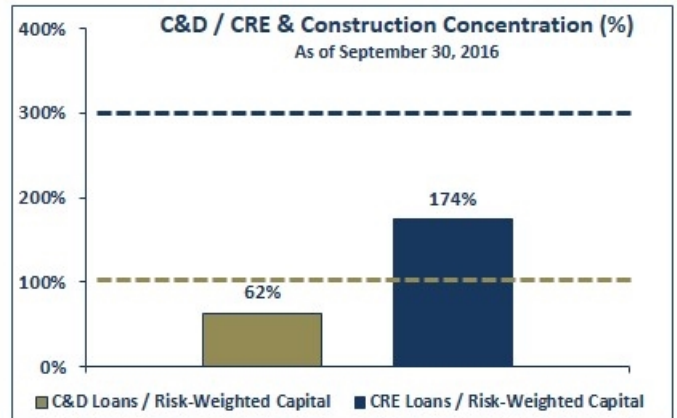
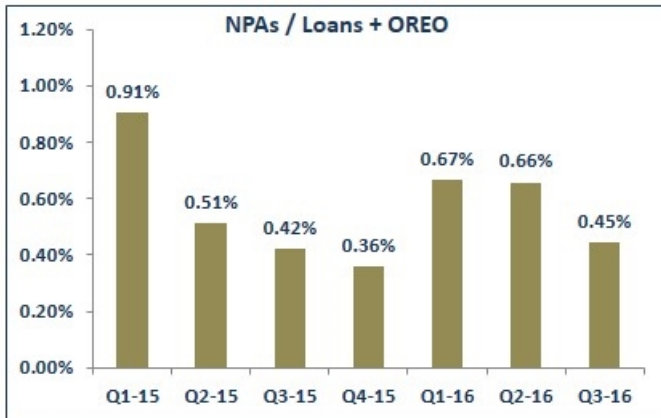
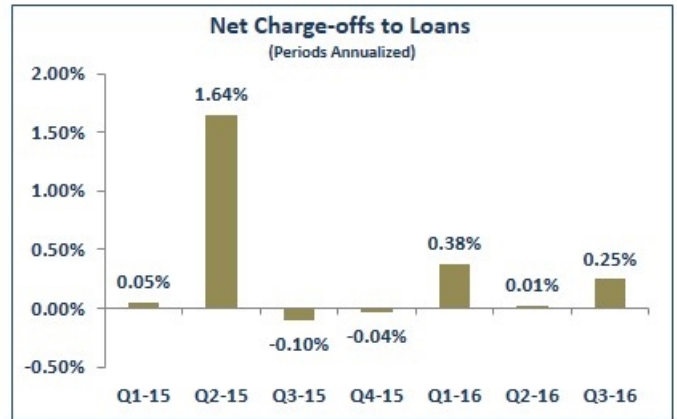
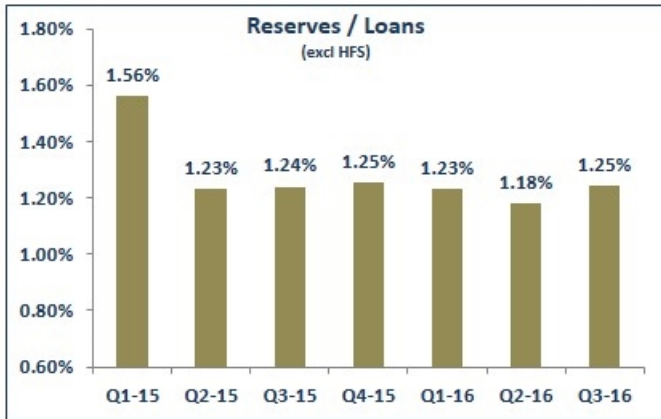
<i>\$ in millions</i>	Q3-16	Q3-15	% Change
Balance Sheet (Quarter Averages)			
C&I – Healthcare	\$190	\$143	33%
C&I - All Other	211	200	6%
Commercial and Industrial	400	342	17%
Commercial Real Estate	273	224	22%
Consumer Real Estate	93	90	3%
Construction and Land Development	78	40	93%
Consumer	7	9	-17%
Other	68	37	83%
Total	\$918	\$741	24%
Less Net Unearned Income	(1)	(1)	6%
Total Loans (Net of Unearned Income)	\$918	\$741	24%
Loans Held for Sale	64	33	94%
Total Loans (Including Loans HFS)	\$982	\$774	27%

Deposits continue to grow with a decline in rates



	Q3-16	Q3-15	% Change
<i>\$ in millions</i>			
Balance Sheet (Quarter Averages)			
Non-Interest Bearing	\$187	\$183	3%
Interest Checking (NOW)	304	138	120%
Savings & Money Market	438	453	-3%
Time Deposits	203	198	3%
Total Deposits	\$1,132	\$971	17%

Sound Credit Quality



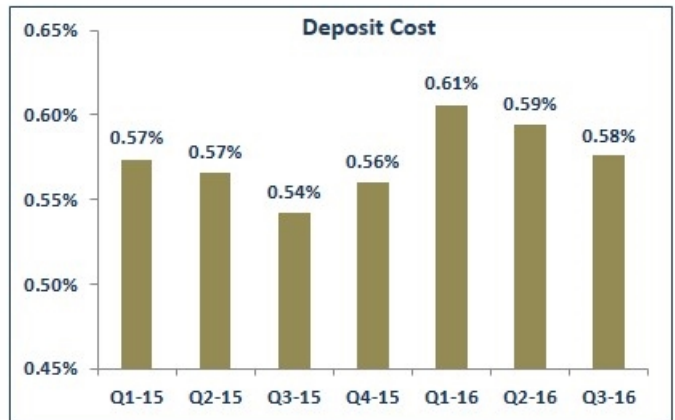
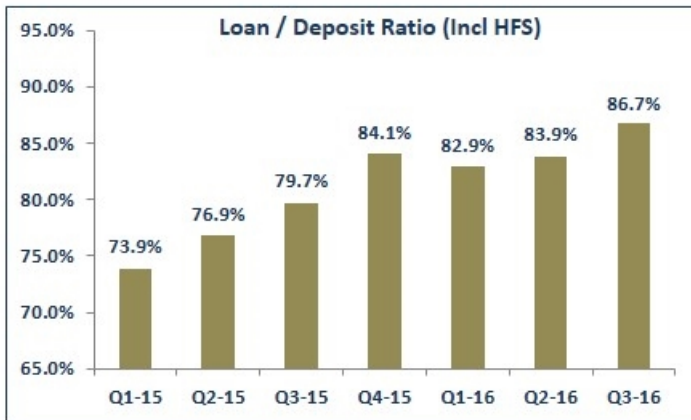
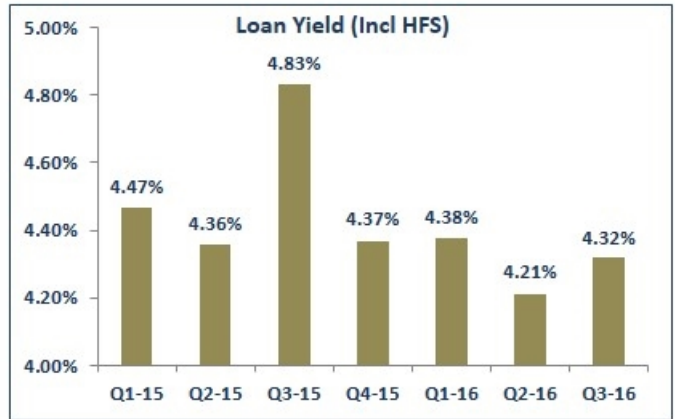
Summary Financials 3Q16

CapStar has experienced both balance sheet and earnings growth over the prior year

\$ in millions	Three Months Ended September 30,			Nine Months Ended September 30,			
	2016	2015	%/bp Change	2016	2015	%/bp Change	
Balance Sheet (Period Averages)							
Loans (Incl HFS)	\$982	\$774	27%	\$917	\$758	21%	
Deposits	1,132	971	17%	1,084	987	10%	← Relationship driven products
Total Transaction Deposits (DDA + Now)	491	321	53%	450	311	45%	
Income Statement							
Net Interest Income	\$10.1	\$9.4	8%	\$28.3	\$25.9	9%	← Impact of Mortgage
Non Interest Income	3.2	2.6	21%	8.1	7.0	17%	
Total Revenue	13.3	12.1	10%	36.4	32.9	11%	↘ Operating Leverage
Provision for Loan Losses	1.6	0.6	183%	2.8	1.3	112%	
Non Interest Expense	8.5	8.6	-1%	24.5	23.7	4%	
Net income	2.1	2.0	4%	6.2	5.5	13%	← Strong earnings growth
Pretax PreProvision Income*	4.8	3.4	39%	11.9	9.2	29%	
Ratios							
EPS Fully Diluted	\$0.20	\$0.20	1%	\$0.58	\$0.53	10%	} Improving profitability metrics
Tangible Book Value Common*	\$11.00	\$9.91	11%	\$11.00	\$9.91	11%	
ROAA	0.65%	0.71%	(0.07)	0.66%	0.64%	0.02	
ROAE	7.15%	7.50%	(0.35)	7.25%	6.90%	0.35	
Efficiency Ratio*	64.0%	71.4%	(7.4)	67.2%	71.9%	(4.6)	

*Reconciliation provided in non-GAAP tables

Net Interest Margin Improves



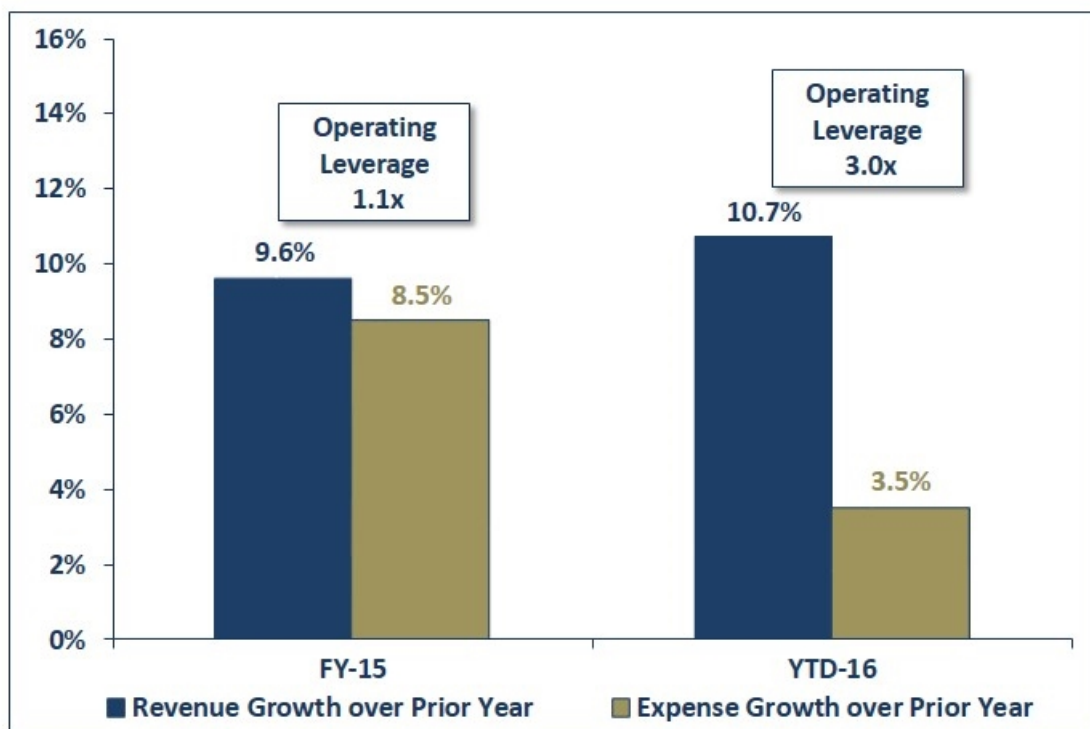
Mortgage and Loan Fees driving Non-Interest Income growth

(Dollars in thousands)	Three Months Ended		
	March 31, 2016	June 30, 2016	September 30, 2016
Non-Interest Income			
Service Charges on Deposit Accounts	\$ 225	\$ 303	\$ 277
Loan Commitment Fees	430	143	329
Net Gain (Loss) on Sale of Securities	39	86	(4)
Mortgage Fees - Net Gain on Mortgage Loans Sold	1,347	1,655	2,339
Wealth Management	31	27	25
Gain on OREO	73	85	-
BOLI	150	150	151
Other	76	120	74
Other Non-Interest Income	329	382	251
Total Non-Interest Income	\$ 2,371	\$ 2,568	\$ 3,191
<i>Non-Interest Income / Average Assets</i>	<i>0.81%</i>	<i>0.83%</i>	<i>0.98%</i>
Total Mortgage Originations			
	\$ 85,108	\$ 151,807	\$ 156,463

Absent the Mortgage earnout, expenses have been flat

(Dollars in thousands)	Three Months Ended		
	March 31, 2016	June 30, 2016	September 30, 2016
Non-Interest Expense			
Salaries and Employee Benefits	\$ 5,218	\$ 4,938	\$ 5,119
Data Processing & Software	568	635	627
Professional Fees	331	426	391
Occupancy	410	371	352
Equipment	407	436	458
Regulatory Fees	227	265	250
Other real estate expense	8	6	-
Advertising & Marketing	140	84	56
Mortgage Earnout – Contingent Liability	123	123	661
Other	578	666	612
Other operating	841	874	1,329
Total Non-Interest Expense	\$ 8,010	\$ 7,951	\$ 8,527
<i>Efficiency Ratio</i>	<i>70.7%</i>	<i>67.6%</i>	<i>64.0%</i>
Total Non-Interest Expense excl Mortgage Earnout - Contingent Liability	\$ 7,887	\$ 7,828	\$ 7,866

Operating Leverage - we achieved a 3.0x Operating Leverage on a YTD basis



YTD = 9/30/16

Strong Capital Position

- With our capital raise in September, CapStar continues to have strong capital ratios well above regulatory guidelines.

<u>Capital Ratios</u>	Q3-16	Q2-16	Q1-16	"Well Capitalized" Guidelines
Tangible Equity / Tangible Assets*	10.07%	8.28%	8.59%	NA
Tangible Common Equity / Tangible Assets*	9.39%	7.02%	7.23%	NA
Tier 1 Leverage Ratio	10.47%	8.90%	9.16%	≥ 5.00%
Tier 1 Risk Based Capital Ratio	11.46%	9.73%	10.26%	≥ 8.00%
Total Risk Based Capital Ratio	12.45%	10.67%	11.26%	≥ 10.00%

*Reconciliation provided in non-GAAP tables

Strategic Outlook (through 2018)

- Loan growth in mid-teens
- Continue to improve Deposit cost
- ROAA target of 1.00% by end of 2018
- Low 60%'s Efficiency Ratio target by end of 2018
- Net Interest Margin ranging from 3.15%-3.25% (absent rate increase)
- Targeted Loan/Deposit ratio of 85%-95%
- Annualized Charge-offs ranging from 0.15%-0.30%

Strategic Outlook

- CapStar's core strategy will continue to be on sound, profitable, growth
- Improving profitability profile
- Opportunistic hiring of bankers
- Strategic M&A
 - Scale
 - Cost of Funds
 - Complementary business
 - Non-Interest Income fee source

Appendix: Historical Financials

Historical Financials

	Three Months Ended September 30,		Nine Months Ended September 30,		Twelve Months Ended December 31,				
(Dollars in thousands, except per share information)	2016	2015	2016	2015	2015	2014	2013	2012	2011
STATEMENT OF INCOME DATA									
Interest Income	\$11,875	\$10,803	\$33,388	\$30,232	\$40,504	\$38,287	\$41,157	\$33,966	\$23,454
Interest Expense	1,749	1,386	5,105	4,297	5,731	5,871	6,576	6,682	7,146
Net Interest Income	10,126	9,417	28,283	25,936	34,773	32,416	34,581	27,284	16,308
Provision for Loan and Lease Losses	1,639	580	2,759	1,301	1,651	3,869	938	3,968	1,897
Non-Interest Income	3,191	2,635	8,130	6,965	8,884	7,419	1,946	1,935	874
Non-Interest Expense	8,527	8,604	24,487	23,654	30,977	28,562	25,432	19,021	13,211
Income before Income Taxes	3,152	2,868	9,167	7,947	11,029	7,404	10,157	6,230	2,073
Income Tax Expense	1,042	831	2,998	2,480	3,470	2,412	3,749	(3,168)	-
Net Income	2,109	2,036	6,169	5,466	7,559	4,992	6,408	9,398	2,073
Pre-Tax Pre-Provision Net Income *	4,790	3,448	11,926	9,247	12,680	11,273	11,095	10,197	3,970

*Reconciliation provided in non-GAAP tables

Historical Financials

	As of September 30,		As of December 31,				
(Dollars in thousands, except per share information)	2016	2015	2015	2014	2013	2012	2011
BALANCE SHEET (AT PERIOD END)							
Cash & Due From Banks	\$73,451	\$64,134	\$100,185	\$73,934	\$44,793	\$113,282	\$44,043
Investment Securities	218,967	218,752	221,891	285,514	305,291	280,115	236,837
Loans Held for Sale	61,252	28,770	35,729	15,386	-	-	-
Gross Loans and Leases (Net of Unearned Income)	924,031	782,437	808,396	713,077	626,382	624,328	430,329
Total Intangibles	6,303	6,357	6,344	6,398	284	317	-
Total Assets	1,318,057	1,135,471	1,206,800	1,128,395	1,009,485	1,031,755	711,183
Deposits	1,136,060	975,011	1,038,460	981,057	879,165	919,782	621,212
Borrowings and Repurchase Agreements	30,000	40,478	48,755	34,837	29,494	7,452	12,622
Total Liabilities	1,179,631	1,027,766	1,098,214	1,025,744	913,294	931,277	636,613
Common Equity	129,427	91,205	92,086	86,151	79,691	83,977	58,070
Preferred Equity	9,000	16,500	16,500	16,500	16,500	16,500	16,500
Total Shareholders' Equity	138,427	107,705	108,586	102,651	96,191	100,478	74,570
Tangible Equity *	132,123	101,348	102,242	96,253	95,907	100,160	74,570

* Reconciliation provided in non-GAAP tables

Historical Financials

(Dollars in thousands, except per share information)	Three Months Ended September 30,		Nine Months Ended September 30,		Twelve Months Ended December 31,				
	2016	2015	2016	2015	2015	2014	2013	2012	2011
SELECTED PERFORMANCE RATIOS									
Return on Average Assets (ROAA)	0.65%	0.71%	0.66%	0.64%	0.66%	0.47%	0.62%	1.11%	0.34%
Pre-Tax Pre-Provision Return on Average Assets (PTPP ROAA) *	1.47%	1.21%	1.28%	1.08%	1.11%	1.06%	1.08%	1.20%	0.65%
Return on Average Equity (ROAE)	7.15%	7.50%	7.25%	6.90%	7.08%	4.94%	6.46%	10.56%	2.94%
Return on Average Tangible Equity (ROATE) *	7.15%	7.50%	7.68%	7.34%	7.53%	5.30%	6.48%	10.70%	2.94%
Net Interest Margin	3.23%	3.45%	3.17%	3.18%	3.19%	3.20%	3.45%	3.30%	2.73%
Efficiency Ratio **	64.0%	71.4%	67.2%	71.9%	71.0%	71.7%	69.6%	65.1%	76.9%
Non-Interest Income / Average Assets	0.98%	0.92%	0.87%	0.82%	0.78%	0.70%	0.19%	0.23%	0.14%
Non-Interest Expense / Average Assets	2.62%	3.01%	2.63%	2.77%	2.72%	2.68%	2.47%	2.25%	2.16%
Loan and Lease Yield	4.36%	4.87%	4.33%	4.58%	4.53%	4.74%	5.48%	5.50%	5.02%
Deposit Cost	0.58%	0.54%	0.59%	0.56%	0.56%	0.62%	0.71%	0.89%	1.34%

* Reconciliation provided in non-GAAP tables

** Efficiency ratio is non-interest expense divided by the sum of net interest income and non-interest income.



Historical Financials

	Three Months Ended September 30,		Nine Months Ended September 30,		Twelve Months Ended December 31,				
(Dollars in thousands, except per share information)	2016	2015	2016	2015	2015	2014	2013	2012	2011
PER SHARE OUTSTANDING DATA									
Basic Net Earnings per Share	\$0.24	\$0.24	\$0.71	\$0.64	\$0.89	\$0.59	\$0.75	\$1.20	\$0.29
Diluted Net Earnings per Share	0.20	0.20	0.58	0.53	0.73	0.49	0.62	1.00	0.24
Shares of Common Stock Outstanding at End of Period	11,191,021	8,565,051	11,191,021	8,565,051	8,577,051	8,471,516	8,353,087	8,705,283	7,142,783
Book Value Per Share, Reported	11.57	10.65	11.57	10.65	10.74	10.17	9.54	9.65	8.13
Tangible Book Value Per Share, Reported	11.00	9.91	11.00	9.91	10.00	9.41	9.51	9.61	8.13
Book Value per Share, Adjusted *	11.47	10.59	11.47	10.59	10.66	10.18	9.65	9.74	8.52
Tangible Book Value per Share, Adjusted*	10.95	9.96	10.95	9.96	10.04	9.55	9.63	9.71	8.52
CAPITAL RATIOS (AT PERIOD END)									
Tier 1 Leverage Ratio	10.47%	9.18%	10.47%	9.18%	9.33%	8.56%	8.96%	9.22%	10.31%
Common Equity Tier 1 Capital (Cet1)	10.75%	8.88%	10.75%	8.88%	8.89%	-	-	-	-
Tier 1 Risk-Based Capital	11.46%	10.44%	11.46%	10.44%	10.41%	10.32%	11.14%	11.77%	13.47%
Total Risk-Based Capital Ratio	12.45%	11.43%	12.45%	11.43%	11.42%	11.54%	12.19%	12.86%	14.68%
Total Shareholders' Equity to Total Asset Ratio	10.50%	9.51%	10.50%	9.51%	9.00%	9.10%	9.54%	9.74%	10.49%
Tangible Equity to Tangible Assets *	10.07%	9.00%	10.07%	9.00%	8.52%	8.58%	9.51%	9.71%	10.49%

* Reconciliation provided in non-GAAP tables

Historical Financials

	Three Months Ended September 30,		Nine Months Ended September 30,		Twelve Months Ended December 31,				
(Dollars in thousands, except per share information)	2016	2015	2016	2015	2015	2014	2013	2012	2011
NON-PERFORMING ASSETS (NPA)									
Non-Performing Loans	\$4,123	\$2,962	\$4,123	\$2,962	\$2,689	\$7,738	\$6,552	\$8,784	\$141
Troubled Debt Restructurings	1,288	133	1,288	133	125	2,618	-	-	141
Other Real Estate and Repossessed Assets	-	335	-	335	216	575	1,451	1,822	-
Non-Performing Assets	4,123	3,297	4,123	3,297	2,905	8,313	8,003	10,606	141
ASSET QUALITY RATIOS									
Non-Performing Assets / Assets	0.31%	0.29%	0.31%	0.29%	0.24%	0.74%	0.79%	1.03%	0.02%
Non-Performing Loans / Loans	0.45%	0.38%	0.45%	0.38%	0.33%	1.09%	1.05%	1.41%	0.03%
Non-Performing Assets / Loans + OREO	0.45%	0.42%	0.45%	0.42%	0.36%	1.16%	1.27%	1.69%	0.03%
Net Charge-Offs to Average Loans (Periods Annualized)	0.25%	-0.10%	0.21%	0.53%	0.38%	0.15%	0.11%	0.40%	0.14%
Allowance for Loan and Lease Losses to Total Loans and Leases	1.25%	1.24%	1.25%	1.24%	1.25%	1.58%	1.35%	1.32%	1.45%
Allowance for Loan and Lease Losses to Non-Performing Loans	279.2%	327.5%	279.2%	327.5%	376.8%	145.8%	129.1%	93.5%	4,415.6%

* Reconciliation provided in non-GAAP tables

Historical Financials

	As of September 30,		As of September 30,		As of December 31,				
(Dollars in thousands, except per share information)	2016	2015	2016	2015	2015	2014	2013	2012	2011
COMPOSITION OF LOANS HELD FOR INVESTMENT									
Commercial Real Estate	\$272,546	\$233,605	\$272,546	\$233,605	\$251,196	\$219,793	\$182,392	\$177,584	\$135,855
Consumer Real Estate	96,919	92,240	96,919	92,240	93,785	77,688	61,174	73,637	51,256
Construction and Land Development	91,366	48,928	91,366	48,928	52,522	46,193	30,217	35,674	24,676
Commercial and Industrial	389,718	350,023	389,718	350,023	353,442	332,914	312,527	279,755	175,518
Consumer	7,046	8,814	7,046	8,814	8,668	7,910	7,939	10,749	12,687
Other Loans	66,435	48,826	66,435	48,826	48,782	28,578	32,132	46,929	30,337
DEPOSIT COMPOSITION									
Non-Interest Bearing	\$191,469	\$187,105	\$191,469	\$187,105	\$190,580	\$157,355	\$135,448	\$102,786	\$66,641
Interest Checking	284,501	135,391	284,501	135,391	189,983	115,915	84,028	60,663	12,655
Savings & Money Market	451,416	462,228	451,416	462,228	437,214	484,600	427,312	544,762	404,775
Time Deposits Less Than \$100,000	42,744	43,895	42,744	43,895	45,902	51,813	46,819	52,844	21,563
Time Deposits Greater Than or Equal to \$100,000	165,930	146,392	165,930	146,392	174,781	171,373	185,482	158,778	115,578

* Reconciliation provided in non-GAAP tables

Historical Financials

	Three Months Ended September 30,		Nine Months Ended September 30,		Twelve Months Ended December 31,				
(Dollars in thousands, except per share information)	2016	2015	2016	2015	2015	2014	2013	2012	2011
REAL ESTATE - COMMERCIAL AND CONSTRUCTION CONCENTRATIONS									
Construction and Development	\$91,366	\$48,928	\$91,366	\$48,928	\$52,522	\$46,193	\$30,217	\$35,674	\$24,676
Commercial Real Estate and Construction	254,541	189,373	254,541	189,373	198,285	172,803	146,258	150,253	109,988
Construction and Development to Total Risk Based Capital (Reg. 100%)	62.3%	43.2%	62.3%	43.2%	45.3%	42.8%	30.1%	36.7%	32.3%
Coml. Real Estate and Const. to Total Risk Based Capital (Reg. 300%)	173.7%	167.1%	173.7%	167.1%	170.9%	160.0%	145.8%	154.6%	144.0%
MORTGAGE METRICS									
Total Origination Volume	\$156,463	\$103,425	\$393,378	\$328,067	\$422,323	\$253,099	-	-	-
Total Mortgage Loans Sold	154,565	127,323	370,375	319,382	407,941	245,891	-	-	-
Purchase Volume as a % of Originations	68%	84%	69%	72%	72%	76%	-	-	-
Mortgage Fees/Gain on Sale of Loans	2,339	1,749	5,342	4,699	5,962	4,067	-	-	-
Mortgage Fees/Gain on Sale as a % of Loans Sold	1.51%	1.37%	1.44%	1.47%	1.46%	1.65%	-	-	-
Mortgage Fees/Gain on Sale as a % of Total Revenue	17.6%	14.5%	14.7%	14.3%	13.7%	10.2%	-	-	-

Non-GAAP Financial Measures

	Three Months Ended September 30,		Nine Months Ended September 30,		Twelve Months Ended December 31,				
	2016	2015	2016	2015	2015	2014	2013	2012	2011
(Dollars in thousands, except per share information)									
PRE-TAX PRE-PROVISION NET INCOME									
Pre-Tax Income	\$3,152	\$2,868	\$9,167	\$7,947	\$11,029	\$7,404	\$10,157	\$6,230	\$2,073
Add: Provision for Loan Losses	1,639	580	2,759	1,301	1,651	3,869	938	3,968	1,897
Pre-Tax Pre-Provision Net Income	4,790	3,448	11,926	9,247	12,680	11,273	11,095	10,198	3,970
PRE-TAX PRE-PROVISION RETURN ON AVERAGE ASSETS									
Total Average Assets	\$1,296,871	\$1,134,200	\$1,241,993	\$1,140,973	\$1,140,760	\$1,064,705	\$1,028,709	\$846,901	\$612,775
Pre-Tax Pre-Provision Net Income	4,790	3,448	11,926	9,247	12,680	11,273	11,095	10,198	3,970
Pre-Tax Pre-Provision Return on Average Assets	1.47%	1.21%	1.28%	1.08%	1.11%	1.06%	1.08%	1.20%	0.65%

Non-GAAP Financial Measures

	As of September 30,		As of December 31,				
(Dollars in thousands, except per share information)	2016	2015	2015	2014	2013	2012	2011
TANGIBLE EQUITY							
Total Shareholders' Equity	\$138,427	\$107,705	\$108,586	\$102,651	\$96,191	\$100,477	\$74,570
Less: Intangible Assets	6,303	6,357	6,344	6,398	284	317	-
Tangible Equity	132,123	101,348	102,242	96,253	95,907	100,160	74,570
TANGIBLE COMMON EQUITY							
Tangible Equity	\$132,123	\$101,348	\$102,242	\$96,253	\$95,907	\$100,160	\$74,570
Less: Preferred Equity	9,000	16,500	16,500	16,500	16,500	16,500	16,500
Tangible Common Equity	123,123	84,848	85,742	79,753	79,407	83,660	58,070
TANGIBLE EQUITY TO TANGIBLE ASSETS							
Tangible Equity	\$132,123	\$101,348	\$102,242	\$96,253	\$95,907	\$100,160	\$74,570
Total Assets	1,318,057	1,135,471	1,206,800	1,128,395	1,008,709	1,031,755	711,183
Less: Intangible Assets	6,303	6,357	6,344	6,398	284	317	-
Tangible Assets	1,311,754	1,129,114	1,200,456	1,121,997	1,008,425	1,031,437	711,183
Tangible Equity to Tangible Assets	10.07%	8.98%	8.52%	8.58%	9.51%	9.71%	10.49%

Non-GAAP Financial Measures

	Three Months Ended September 30,		Nine Months Ended September 30,		Twelve Months Ended December 31,				
(Dollars in thousands, except per share information)	2016	2015	2016	2015	2015	2014	2013	2012	2011
RETURN ON AVERAGE TANGIBLE EQUITY (ROATE)									
Total Average Shareholder's Equity	\$117,390	\$107,783	\$113,607	\$105,917	\$106,727	\$101,030	\$99,153	\$88,990	\$70,625
Less: Average Intangible Assets	6,312	6,365	6,325	6,378	6,371	6,855	301	1,151	-
Average Tangible Equity	111,078	101,418	107,283	99,538	100,356	94,175	98,852	87,838	70,625
Net Income to Shareholders	2,109	2,036	6,169	5,466	7,559	4,992	6,408	9,397	2,073
Return on Average Tangible Equity (ROATE)	7.55%	7.97%	7.68%	7.34%	7.53%	5.30%	6.48%	10.70%	2.94%
ADJUSTED SHARES OUTSTANDING AT END OF PERIOD									
Shares of Common Stock Outstanding	11,191,021	8,565,052	11,191,021	8,565,052	8,577,051	8,471,516	8,353,087	8,705,283	7,142,783
Shares of Preferred Stock Outstanding	878,049	1,609,756	878,049	1,609,756	1,609,756	1,609,756	1,609,756	1,609,756	1,609,756
Adjusted Shares Outstanding at End of Period	12,069,070	10,174,808	12,069,070	10,174,808	10,186,807	10,081,272	9,962,843	10,315,039	8,752,539
BOOK VALUE PER SHARE, ADJUSTED									
Total Shareholders Equity	\$138,427	\$107,705	\$138,427	\$107,705	\$108,586	\$102,651	\$96,191	\$100,477	\$74,570
Adjusted Shares Outstanding at End of Period	12,069,070	10,174,808	12,069,070	10,174,808	10,186,807	10,081,272	9,962,843	10,315,039	8,752,539
Book Value Per Share, Adjusted	\$11.47	\$10.59	\$11.47	\$10.59	\$10.66	\$10.18	\$9.65	\$9.74	\$8.52

Non-GAAP Financial Measures

	As of September 30,		As of December 31,				
(Dollars in thousands, except per share information)	2016	2015	2015	2014	2013	2012	2011
TANGIBLE BOOK VALUE PER SHARE, REPORTED							
Tangible Common Equity	\$123,123	\$84,848	\$85,742	\$79,753	\$79,407	\$83,660	\$58,070
Shares of Common Stock Outstanding	11,191,021	8,565,052	8,577,051	8,471,516	8,353,087	8,705,283	7,142,783
Tangible Book Value Per Share, Reported	\$11.00	\$9.91	\$10.00	\$9.41	\$9.51	\$9.61	\$8.13
TANGIBLE BOOK VALUE PER SHARE, ADJUSTED							
Tangible Equity	\$132,123	\$101,348	\$102,242	\$96,253	\$95,907	\$100,160	\$74,570
Adjusted Shares Outstanding at End of Period	12,069,070	10,174,808	10,186,807	10,081,272	9,962,843	10,315,039	8,752,539
Tangible Book Value Per Share, Adjusted	\$10.95	\$9.96	\$10.04	\$9.55	\$9.63	\$9.71	\$8.52

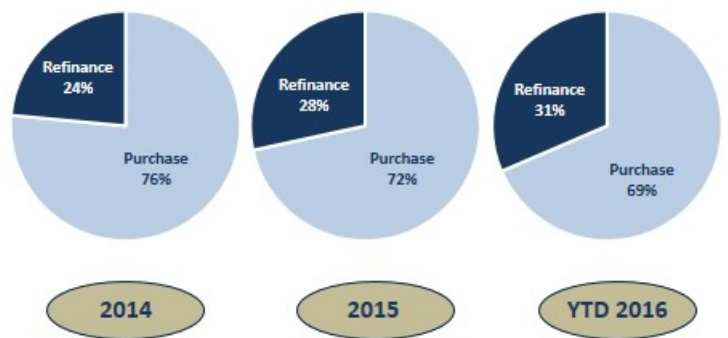
Scalable Mortgage Platform

- ❖ The acquisition of Farmington Financial in February 2014 added mortgage origination services to CapStar's product offering and enhanced fee income generation
- ❖ Farmington's strategy is to originate conforming loans which are sold into the secondary mortgage market
- ❖ As of September 2016, approximately 69% of originated loans represent new loan originations as opposed to refinancings

Total Production (\$mm)



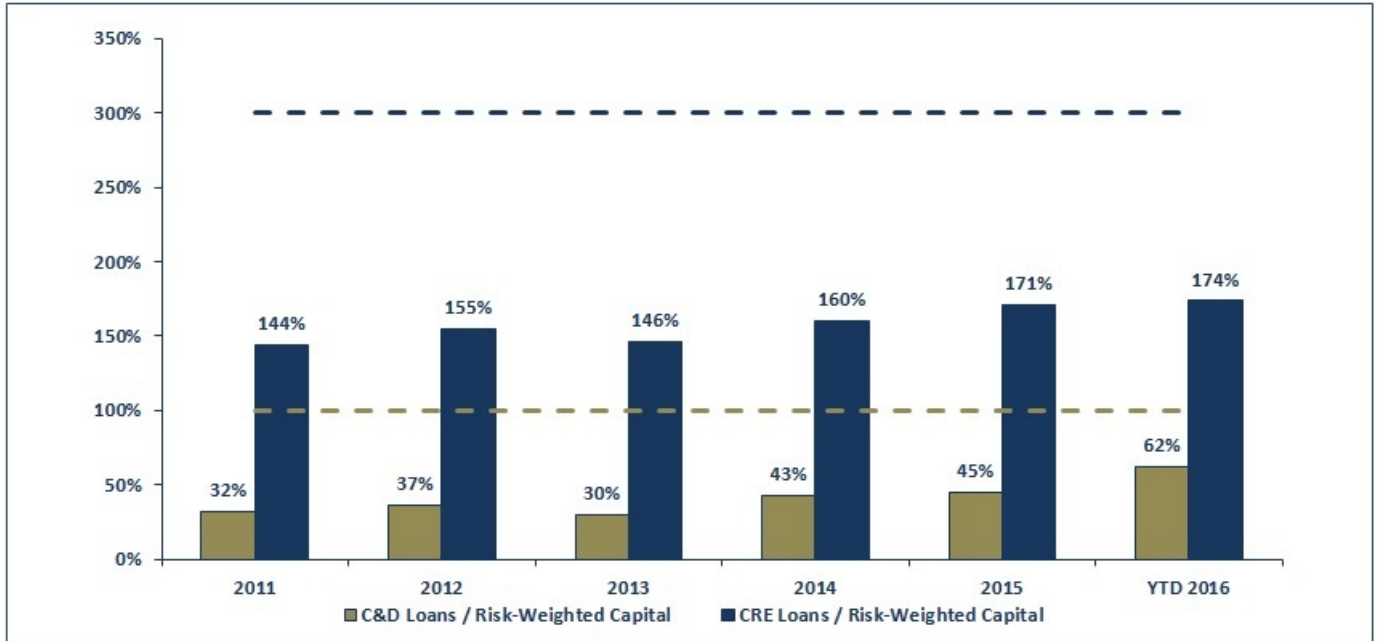
Purchase vs. Refinance (% of Total Production)



Data as of or for the twelve months ended 12/31 each respective year; YTD 2016 data as of or for the nine months ended 9/30/16
 (1) Acquisition of Farmington Financial closed 2/3/14

C&D and CRE & Construction Concentration

- Historical C&D and CRE & Construction as a Percentage of Risk-Weighted Capital



Data as of 12/31 each respective year; YTD 2016 data as of 9/30/16
Blue line designates recommended limits from the regulators for CRE loans to risk-weighted capital
Gold line designates recommended limits from the regulators for C&D loans to risk-weighted capital

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CAPSTAR

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