► See separate instructions.

Part Reporting	Issuer					
1 Issuer's name		2 Issuer's employer identification number (EIN)				
CAPSTAR FINANCIA	L HOLDINGS. I	81-1527911				
3 Name of contact for a		4 Telephone No. of contact		5 Email address of contact		
MARK SEATON		615-732-6412		MSEATON@CAPSTARBANK.COM		
6 Number and street (or P.O. box if mail is not delivered to street address) of contact				7 City, town, or post office, state, and ZIP code of contact		
1201 DEMONBREUN	STREET, SUITE	NASHVILLE, TN 37203				
8 Date of action		9 Class	sification and description			
OCTOBER 1, 2018		COMMO	N STOCK			
10 CUSIP number	11 Serial number	s)	12 Ticker symbol	13 Account number(s)		
14070T102	N/A		CSTR	N/A		
		ch additiona		see back of form for additional questions.		
				ate against which shareholders' ownership is measured for		
the action ► SEE		applicable, the		are against which shareholders townership is measured for		
THE ACTION SEE	ATTACHMENT					
				rity in the hands of a U.S. taxpayer as an adjustment per		
share or as a percen	tage of old basis $\blacktriangleright$ S	EE ATTAC	HMENT			
		basis and the	data that supports the calcu	lation, such as the market values of securities and the		
valuation dates <a>S</a>	EE ATTACHMENT					

For Paperwork Reduction Act Notice, see the separate Instructions.

Form 8	937 (12-2	017)		Page <b>2</b>				
Part		Drganizational Action (continued)						
		applicable Internal Revenue Code section(s) and subsection(s) upon which the tax tr	eatment is based <b>&gt;</b>	•				
-		ON 368(A)						
-		ON 354						
-		ON 356						
		ON 358 ON 1221						
<u></u>	DECI.							
18	Can anv	resulting loss be recognized? ► SEE ATTACHMENT						
	- ··· <b>,</b>	<u> </u>						
40	Durandala							
		any other information necessary to implement the adjustment, such as the reportabl ER 31, 2018.	e tax year $\blacktriangleright$ <u>THE</u>	REPORTABLE TAX YEAR				
10 1		ER 51, 2010.						
		penalties of perjury, I declare that I have examined this return, including accompanying sched						
		lief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.						
Sign								
Here	Signa		Date ►					
		our name ► Print/Type preparer's name Preparer's signature	Title ► Date					
Paid			Dale	Check if self-employed p00868782				
	barer	ROBERT PARKER, CPA       Firm's name       ► CROWE LLP		Firm's EIN ► 35-0921680				
Use	Only	Firm's address ► 720 COOL SPRINGS BLVD, STE 600, FRANKLIN	I, TN 37067	Phone no. 615-360-5500				

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

## Attachment to Form 8937 Report of Organizational Actions Affecting Basis of Securities CapStar Financial Holdings, Inc. FEIN: 81-1527911

For purposes of this attachment, "CapStar" refers to the issuer, CapStar Financial Holdings, Inc. "Athens" refers to Athens Bancshares Corporation (FEIN: 27-0920126).

## Part II, Line 14

The organizational action was a tax-free reorganization for U.S. federal tax purposes in which Athens merged with and into CapStar, with CapStar surviving the merger and continuing under the name "CapStar Financial Holdings, Inc." Immediately following the merger, Athens Federal Community Bank, National Association, a wholly owned subsidiary of Athens, merged with and into CapStar Bank, a wholly owned subsidiary of CapStar, with CapStar Bank continuing as the surviving entity. The effective time of the merger was October 1, 2018 ("Effective Time"). Shareholders of Athens common stock who held their shares of Athens common stock of record (directly or through their broker or nominee) as of the Effective Time received shares of CapStar common stock (or cash in lieu of a fractional share).

# Part II, Line 15

Each Athens common shareholder of record as of the Effective Time became entitled to receive from CapStar 2.864 shares of CapStar common stock for each of their former shares of Athens common stock subject to surrender of the old Athens shares; plus potentially a cash payment in lieu of the issuance of any fractional share of CapStar common stock.

The basis of CapStar shares received in the merger will be generally determined in accordance with IRC Section 358(a), as follows:

- The basis of Athens shares surrendered,
- · Reduced by the cash received in the merger, and
- Increased by any gain recognized in the exchange, computed on a per share basis

The following information is necessary to compute gain to be recognized in the exchange on a per share basis as to each share of Athens common stock that was held by a holder of record as of the Effective Time:

• Fair market value of CapStar common shares received per Athens common share: \$16.70 x 2.864 shares = \$47.82 per share

To determine the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of the old basis, the following scenarios should be used to determine the per share gain to be recognized by a holder of record of a share of Athens common stock as of the Effective Time. Athens shareholders should note that cash payments in lieu of fractional shares are expressly not considered in the scenarios described.

- If the adjusted basis in an individual share of Athens stock is greater than or equal to \$47.82, recognized gain should be \$0.
- If the adjusted basis in an individual share of Athens stock is less than or equal to \$47.82, realized gain should equal the amount by which \$47.82 exceeds shareholder's adjusted basis in Athens shares. Gain will only be recognized to the extent boot (cash) was received.

## Part II, Line 16

The basis of CapStar shares received, once computed as per above, must be allocated to the individual CapStar shares received in accordance with Treasury Regulation §1.358-2(a). See also Proposed Treasury Regulation §1.358-2(b).

## Part II, Line 18

Based upon the merger agreement and the facts and circumstances known by CapStar, no loss will be recognized for federal income tax purposes in this transaction by Athens shareholders who received CapStar common stock in exchange for their Athens common stock.