



CAPSTAR

3Q22 Investor Presentation

Disclosures

FORWARD-LOOKING STATEMENTS

This investor presentation contains forward-looking statements, as defined by federal securities laws, including statements about CapStar Financial Holdings, Inc. (“CapStar”) and its financial outlook and business environment. All statements, other than statements of historical fact, included in this release and any oral statements made regarding the subject of this release, including in the conference call referenced herein, that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The words “expect”, “anticipate”, “intend”, “may”, “should”, “plan”, “believe”, “seek”, “estimate” and similar expressions are intended to identify such forward-looking statements, but other statements not based on historical information may also be considered forward-looking statements. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results to differ materially from the statements, including, but not limited to: (I) deterioration in the financial condition of borrowers of the Company and its subsidiaries, resulting in significant increases in loan losses and provisions for those losses; (II) the effects of the emergence of widespread health emergencies or pandemics, including the magnitude and duration of the Covid-19 pandemic and its impact on general economic and financial market conditions and on the Company’s customer’s business, results of operations, asset quality and financial condition; (III) the ability to grow and retain low-cost, core deposits and retain large, uninsured deposits, including during times when the Company is seeking to lower rates it pays on deposits; (IV) the impact of competition with other financial institutions, including pricing pressures and the resulting impact on the Company’s results, including as a result of compression to net interest margin; (V) fluctuations or differences in interest rates on loans or deposits from those that the Company is modeling or anticipating, including as a result of the Company’s inability to better match deposit rates with the changes in the short term rate environment, or that affect the yield curve; (VI) difficulties and delays in integrating required businesses or fully realizing cost savings or other benefits from acquisitions; (VII) the Company’s ability to profitably grow its business and successfully execute on its business plans; (VIII) any matter that would cause the Company to conclude that there was impairment of any asset, including goodwill or other intangible assets; (IX) the vulnerability of the Company’s network and online banking portals, and the systems of customers or parties with whom the Company contracts, to unauthorized access, computer viruses, phishing schemes, spam attacks, human error, natural disasters, power loss and other security breaches; (X) the availability of and access to capital; (XI) adverse results (including costs, fines, reputational harm, inability to obtain necessary approvals, and/or other negative affects) from current or future litigation, regulatory examinations or other legal and/or regulatory actions, including as a result of the Company’s participation in and execution of government programs related to the Covid-19 pandemic; and (XII) general competitive, economic, political and market conditions. Additional factors which could affect the forward-looking statements can be found in the Company’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, filed with the SEC. The Company disclaims any obligation to update or revise any forward-looking statements contained in this press release (we speak only as of the date hereof), whether as a result of new information, future events, or otherwise.

NON-GAAP MEASURES

This investor presentation includes financial information determined by methods other than in accordance with generally accepted accounting principles (“GAAP”). This financial information includes certain operating performance measures, which exclude merger-related and other charges that are not considered part of recurring operations. Such measures include: “Efficiency ratio – operating,” “Expenses – operating,” “Earnings per share – operating,” “Diluted earnings per share – operating,” “Tangible book value per share,” “Return on common equity – operating,” “Return on tangible common equity – operating,” “Return on assets – operating,” and “Tangible common equity to tangible assets.” Management has included these non-GAAP measures because it believes these measures may provide useful supplemental information for evaluating CapStar’s underlying performance trends. Further, management uses these measures in managing and evaluating CapStar’s business and intends to refer to them in discussions about our operations and performance. Operating performance measures should be viewed in addition to, and not as an alternative to or substitute for, measures determined in accordance with GAAP, and are not necessarily comparable to non-GAAP measures that may be presented by other companies. To the extent applicable, reconciliations of these non-GAAP measures to the most directly comparable GAAP measures can be found in the ‘Non-GAAP Reconciliation Tables’ included in the exhibits to this presentation.



CapStar Overview



Mission: To win long-term relationships and positively impact our customers' lives by setting the standard in *Guidance, Responsiveness, Flexibility, and Service.*



S&P Global
Market Intelligence
#18 Large Community Bank in the Country

RAYMOND JAMES®
2021 Community Bankers Cup Award Winner



H HOVDE GROUP
High Performers - The Class of 2022

- Experienced and shareholder-oriented management team
- Favorable geographic market position
- Performance and growth-oriented bank

Market Data

Ticker	CSTR
Price ⁽¹⁾	\$19.79
Market Cap ⁽¹⁾	\$434MM
P/2023 CE ⁽²⁾	9.6
P/TBV ⁽¹⁾	140%
Avg. Daily Vol. (30d)	30,000
Insider Ownership ⁽³⁾	8.6%
Institutional Ownership ⁽¹⁾	44.4%
Dividend Yield ⁽¹⁾	2.0%

2Q22 Snapshot

Dollars in Millions

BALANCE SHEET (EOP)

Total Assets	\$3,097
Total Loans HFI (Excl PPP)	\$2,234
Total Deposits	\$2,631

CAPITAL RATIOS

TE / TA	10.19%
CET 1 Ratio	12.87%
Total RBC Ratio	14.79%

ASSET QUALITY

NCOs / Average Loans ⁽⁴⁾	0.00%
NPAs / Loans HFI + OREO	0.11%
Texas Ratio ⁽⁵⁾	0.82%

(1) Source S&P Capital IQ: Market data as of 9/15/2022

(2) Price/2023 consensus EPS

(3) Based on the proxy statement (Schedule 14A) dated 3/10/2022

(4) Annualized

(5) Texas ratio defined as: (NPAs + Loans>90 Days) / (Tangible Common Equity + ALLL)



BankDirector.

Named #1 in Tennessee & #14 Best Overall Bank in U.S.

Recognized among the 300 largest publicly traded banks in the nation by Bank Director in their “The Best in U.S. Banks” report.

RAYMOND JAMES®
Community Bankers Cup Award

Ranked Top 10% of U.S. Community Banks

Awarded Raymond James Community Bankers Cup Award as one of 23 banks among 229 exchange-traded banks in America with assets between \$500 million and \$10 billion. CapStar is one of three Southeast Banks and the only Tennessee based institution awarded a Bankers Cup in 2021.

S&P Global
Market Intelligence

Ranked #18 Bank Nationally

Of all banks with assets between \$3 billion and \$10 billion by S&P Global Market Intelligence based on returns, growth, and efficiency, with a premium placed on the strength and risk profile of balance sheets.

H HOVDE
GROUP

Hovde’s High Performers – The Class of 2022

One of 30 institutions selected nationwide by the boutique investment bank focused exclusively on financial services sector

PIPER | SANDLER

Piper Sandler Bank & Thrift Sm-All Stars Class of 2021

Named as one of an elite group of only 35 small-cap banks and thrifts in the country with market cap below \$2.5 billion, and among only 15 first-year recipients.

Simple, Focused, and Disciplined

Target Customer

- Small to mid-sized businesses generally with \$5-250MM in revenue and their owners/management
- Professionals
- Commercial real estate investors
- Relationship retail

Strategy

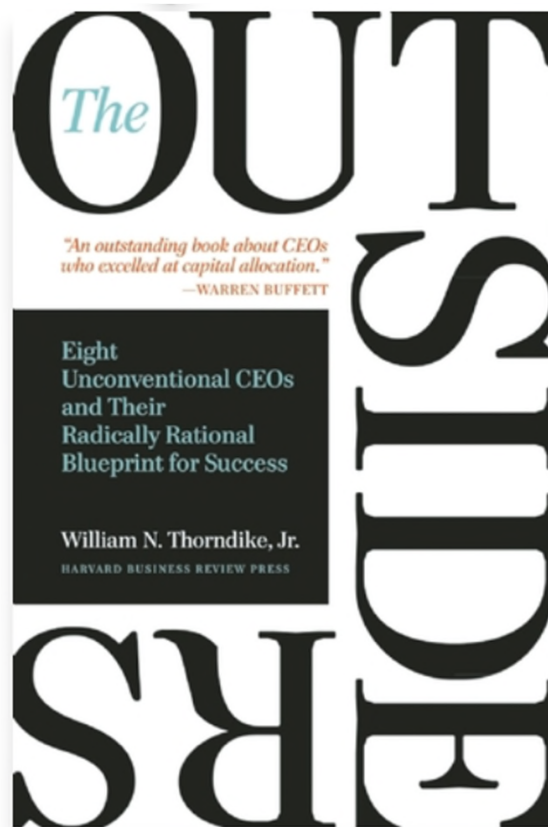
- Provide a relationship-based and highly personal banking experience
- Win through responsiveness, flexibility, and customer service
- Seek low-cost deposits and operate efficiently
- Invest/lend prudently; never sacrificing risk adjusted returns for growth

Delivery

- Hire well; attract and retain highly-effective employees
- Focus on where we can find the best people; not filling in a geographic map
- Limit bricks and mortar to strategically located offices
- Enable technology to provide a 'WOW!' employee and customer experience

Goals

- Meaningful relationships and outstanding customer service
- High returns on capital
- Stable growth in earnings and tangible book value per share
- Disciplined capital allocation



*"In assessing performance, what matters isn't the absolute rate of return but the return relative to peers and the market. **You really only need to know three things to evaluate a CEO's greatness:** the compound annual return to shareholders during his or her tenure and the return over the same period for peer companies and for the broader market (usually measured by the S&P 500)."*

"CEOs need to do two things well to be successful: run their operations efficiently and deploy the cash generated by those operations."

"Capital allocation is a CEO's most important job."

"CEOs have five essential choices for deploying capital - investing in existing operations, acquiring other businesses, issuing dividends, paying down debt, or repurchasing stock..."

"Sometimes the best investment opportunity is your own stock."

Leadership Team



Executive Leadership	Title	Age	Financial Services Experience	Year Joined
Tim Schools	President & CEO	52	24	2019
Jennie O'Bryan	Chief Administrative Officer	56	38	2019
Kevin Lambert	Chief Credit Officer	58	36	2021
Mike Fowler	Chief Financial Officer	66	42	2020
John Davis	Chief Operations & Technology Officer	58	30	2019
Amy Goodin	Chief Risk Officer	50	22	2000

Market Leadership	Title	Age	Financial Services Experience	Year Joined
Mike Hill	East Tennessee Market President	54	28	2020
Ken Webb	Middle Tennessee Market President	68	45	2008
Chris Tietz	Chief Credit Policy Officer & EVP Specialty Banking	59	36	2016

2Q22 Financial Highlights



Highlights

Executing on strategic objectives

- Enhance profitability and earnings consistency
- Accelerate organic growth
- Maintain sound risk management
- Execute disciplined capital allocation

Delivering high performance

- Earnings per share of \$0.45 with minimal contribution from Specialty Banking businesses
- PTPPA and ROAA of 1.70% and 1.28%, respectively
- ROATCE of 12.74%, despite ~200 basis points of excess capital

Proactively managing risk

- Record low past due ratio of 0.12%
- Modestly asset sensitive balance sheet

Deploying capital in a disciplined manner

- Investments in loan capabilities produced 19.8% average and 16.9% EOP linked-quarter annualized loan growth versus 1Q22 (excluding PPP and the \$106.9MM transfer of Tri-Net loans to held for investment)
- Paid \$0.10 per share dividend, an increase from the prior quarter of \$0.06
- Repurchased 261,900 shares during the quarter; 299,206 shares through June 30, 2022
- Announced Asheville and further Chattanooga expansion

Scorecard



Four Key Drivers

REVENUE GROWTH⁽¹⁾

Target: $\geq 5\%$
2Q22 YTD: (7.0%)

NET INTEREST MARGIN

Target: $\geq 3.60\%$
2Q22: 3.41%

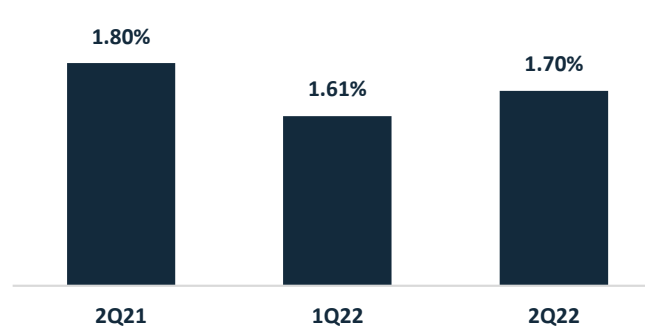
EFFICIENCY

Target: $\leq 55\%$
2Q22: 56.32%

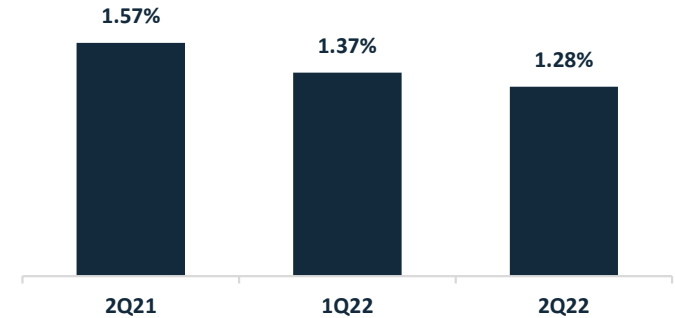
NET CHARGE OFFS

Target: $\leq 0.25\%$
2Q22: 0.00%

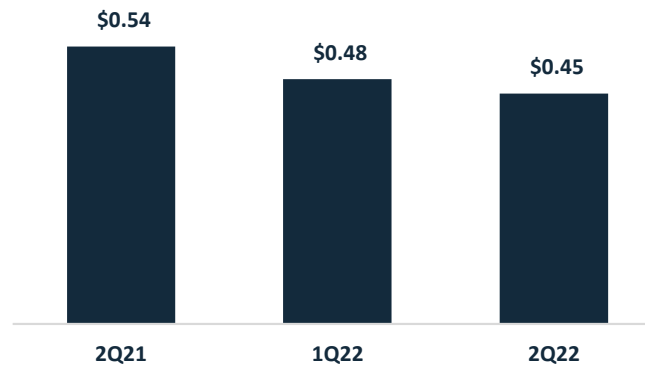
Pretax Preprovision Income / Assets



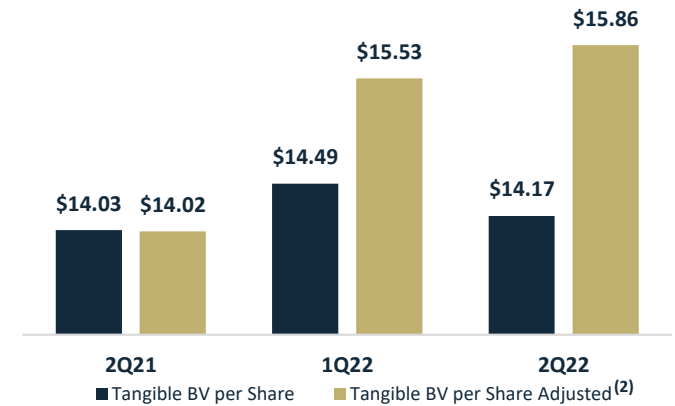
Return on Average Assets



Diluted Earnings Per Share



Tangible Book Value per Share



(1) Year over year

(2) Tangible book value per share of common stock excluding after-tax unrealized available for sale investment (gains) losses



Key Performance Indicators



(Dollars in millions, except for per share data)		2022	1Q22	2021
Profitability	Net Interest Margin ⁽¹⁾	3.41%	2.97%	3.26%
	Efficiency Ratio ⁽²⁾	56.32%	58.67%	57.97%
	Pretax Preprovision Income / Assets ⁽³⁾	1.70%	1.61%	1.80%
	Return on Average Assets	1.28%	1.37%	1.57%
	Return on Average Tangible Equity	12.74%	13.02%	15.63%
Growth	Total Assets (Avg)	\$3,129	\$3,153	\$3,079
	Total Deposits (Avg)	\$2,665	\$2,705	\$2,662
	Total Loans HFI (Avg) (Excl PPP)	\$2,144	\$1,988	\$1,765
	Diluted Earnings per Share	\$0.45	\$0.48	\$0.54
	Tangible Book Value per Share	\$14.17	\$14.49	\$14.03
Soundness	Net Charge-Offs to Average Loans (Annualized)	0.00%	0.01%	0.01%
	Non-Performing Assets / Loans + OREO	0.11%	0.18%	0.22%
	Allowance for Loan Losses + Fair Value Mark / Loans Excl PPP	1.09%	1.16%	1.47%
	Common Equity Tier 1 Capital	12.87%	13.58%	13.78%
	Total Risk Based Capital	14.79%	15.60%	16.13%

(1) Calculated on a tax equivalent basis

(2) Efficiency ratio is Noninterest expense divided by the sum of net interest income and noninterest income

(3) Pre-tax Pre-provision Operating ROA calculated as ROA excluding the effect of provision and income tax expense



Favorable Market Position



CapStar's Unique Profile



- Big enough to compete, small enough to win on flexibility and responsiveness
- Positioned in four of the most attractive markets in two of the top states to do business
- Positive competitive trends present tremendous opportunities for customers and talent
 - Largest banks continue to lose market share
 - Largest Tennessee-based bank announced sale to foreign entity in 1Q22
 - Community banks continue to decline in number
 - A number of banks are working through management succession
- Significant excess capital and capital generation to support growth

Relative Market Strength

According to the U.S. Census Bureau (from 2020 to 2021), the **South** was the most populous of the nation's four regions and the only region that had positive net domestic migration (movement of people from one area to another within the U.S.); **North Carolina** ranked 4th and **Tennessee** ranked 8th in the nation for numeric population growth.

AMERICA'S TOP STATES FOR BUSINESS 2022

OVERALL RANK ↓	STATE ↓	WORKFORCE ↓	INFRA-STRUCTURE ↓	COST OF DOING BUSINESS ↓	ECONOMY ↓	LIFE, HEALTH & INCLUSION ↓	TECHNOLOGY & INNOVATION ↓	BUSINESS FRIENDLINESS ↓
1	North Carolina	12	17	26	1	28	5	22
2	Washington	4	29	33	3	6	2	31
3	Virginia	11	9	25	20	13	17	6
4	Colorado	1	16	36	11	12	9	16
5	Texas	2	14	12	8	49	4	34
6	Tennessee	15	8	8	2	42	28	23
7	Nebraska	32	22	16	13	7	24	12
8	Utah	8	32	17	6	29	26	10
9	Minnesota	21	4	41	16	5	6	32
10	Georgia	3	11	38	7	39	12	32



America's Top States for Business

- North Carolina and Tennessee ranked #1 and #6 overall
- North Carolina and Tennessee ranked #1 and #2 in Economy



Best State Rankings

- Tennessee ranked #1 and North Carolina #5 nationally for Long-Term Fiscal Stability



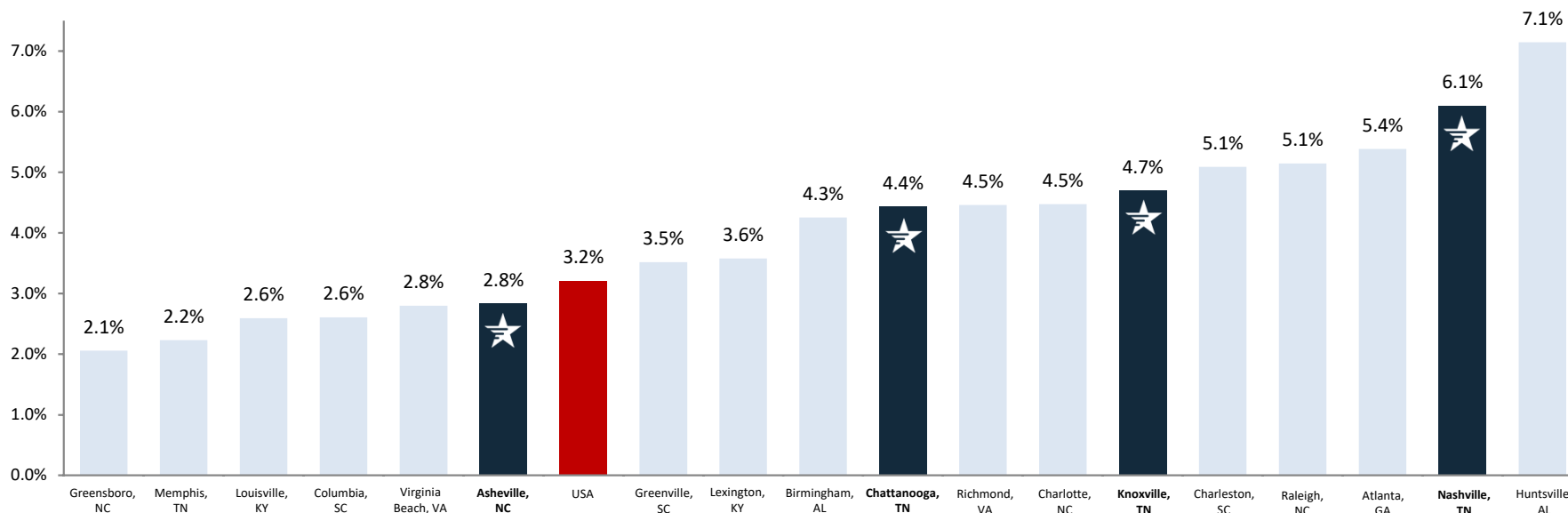
States Americans Headed to Most

- Tennessee ranked #3 and North Carolina #19 nationally for relocations in 2021
- Tennessee was #1 and North Carolina #9 in 2020



Attractive Demographics

2022 - 2027 Projected Population Growth



Total Deposits in Market

1	Charlotte, NC	\$314.9 bil
2	Atlanta, GA	\$271.1 bil
3	Richmond, VA	\$127.3 bil
4	Nashville, TN	\$89.1 bil
5	Birmingham, AL	\$54.5 bil
6	Memphis, TN	\$40.8 bil

7	Louisville, KY	\$39.1 bil
8	Raleigh, NC	\$38.9 bil
9	Virginia Beach, VA	\$31.5 bil
10	Columbia, SC	\$26.7 bil
11	Knoxville, TN	\$23.8 bil
12	Greenville, SC	\$23.5 bil

13	Charleston, SC	\$20.4 bil
14	Greensboro, NC	\$17.1 bil
15	Chattanooga, TN	\$13.9 bil
16	Lexington, KY	\$13.4 bil
17	Huntsville, AL	\$11.5 bil
18	Asheville, NC	\$10.8 bil

Attractive Demographics



Deposits and Key Demographics by County⁽¹⁾

County	MSA	Deposits In Market (\$000)	Market Rank (#)	2022 Population (000)	2022-2027 Projected Population Change (%)	2022 Median HH Income (\$)	2022-2027 Projected HH Income Change (%)
Metro Markets							
Davidson	Nashville	\$1,328,712	10	702.9	4.5%	73.1	17.5%
McMinn	Athens	400,978	1	54.9	3.8%	49.9	11.7%
Sumner	Nashville	197,598	9	202.2	7.1%	76.6	12.2%
Williamson	Nashville	196,084	12	256.3	7.6%	120.8	4.7%
Bradley	Cleveland	47,015	9	111.1	5.1%	60.3	11.0%
Rutherford	Nashville	35,628	15	352.6	7.4%	76.5	13.8%
Knox	Knoxville	12,403	26	484.7	5.2%	66.1	11.1%
Hamilton ⁽²⁾	Chattanooga	-	-	378.6	5.1%	64.5	10.0%
Buncombe ⁽³⁾	Asheville	-	-	466.8	2.8%	62.6	11.9%
Community Markets							
Coffee	Tullahoma	168,150	1	58.9	5.5%	59.1	9.9%
Monroe	---	122,483	4	47.9	4.3%	49.1	9.9%
Lawrence	Lawrenceburg	110,707	3	45.1	4.4%	49.3	11.9%
Cannon	Nashville	99,599	1	15.2	5.5%	62.1	7.2%
Wayne	---	70,985	3	16.5	1.0%	47.0	13.1%

(1) FDIC Deposit data as of June 30, 2021; Source: S&P Capital IQ

(2) Announced expansion into Chattanooga (Hamilton County) in October 2021

(3) Announced expansion into Asheville (Buncombe County) in July 2022

Balance Sheet Strength



Quality Funding Profile

Strategy

- Emphasizing a deposit first culture
- Increasing importance of DDA and core funding
- Further investing in correspondent banking
- Disciplined usage of alternative funding sources

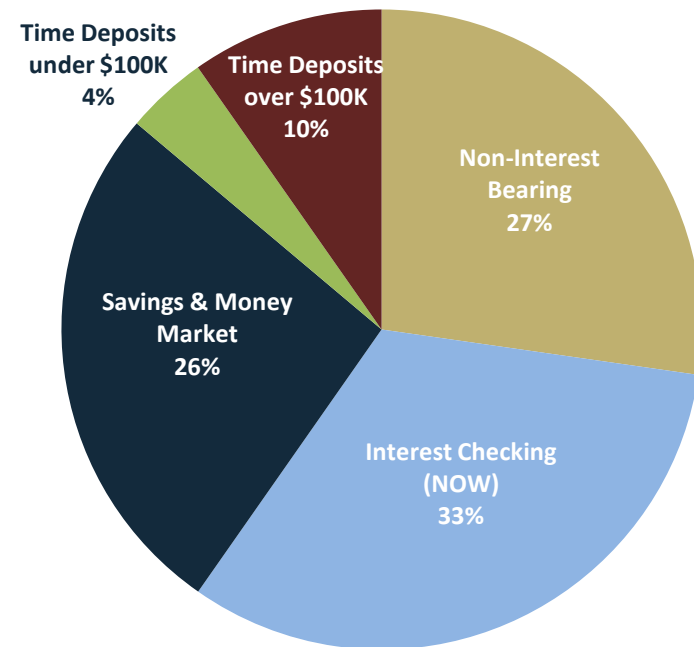
Pricing

- Implemented pricing discipline
- Proactive monitoring of market competition

Portfolio Characteristics

- Long-time loyal customers within community markets
- Strong treasury management and digital banking capabilities

Deposit Composition



End of Period Balances as of
June 30, 2022

Disciplined Credit Culture

Credit Culture

- Experienced bankers and underwriters
- Diversify by type, sector, and geography
- Collateral and guarantees standard
- Big bets discouraged
- Participations and shared national credits avoided

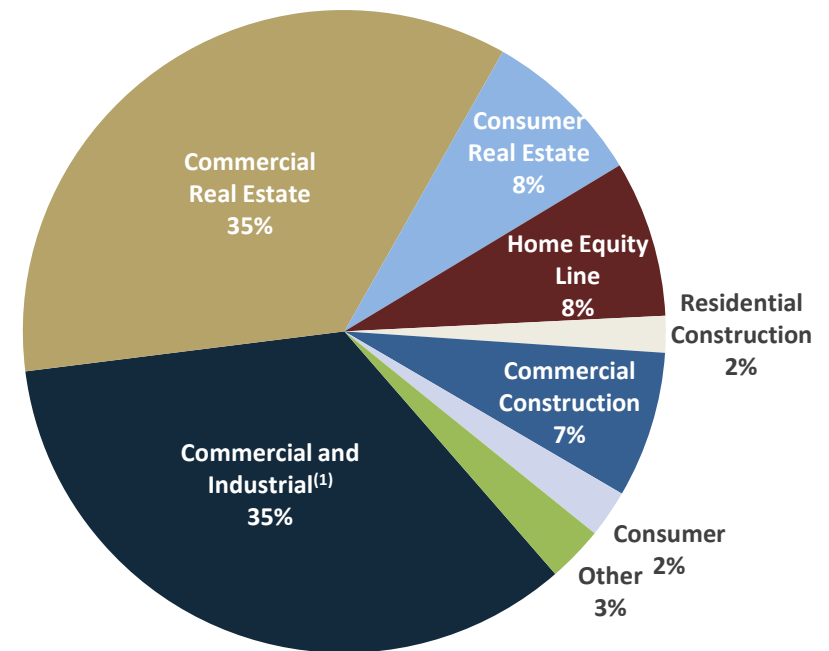
Underwriting and Portfolio Management

- Weekly credit committee; approves relationships > \$4MM
- Centralized consumer and small business underwriting
- Monthly asset quality reviews
- Continuous independent external loan review
- Annual external stress test

Loan Portfolio Summary⁽²⁾

- Past due loans as a % of loans held for investment totaled 0.12%
- Loan losses averaging < \$81K over last 8 quarters
- In-market loans at 96%⁽³⁾
- Shared national credits < 1.25%
- Other participations < 4.00%

Loan Composition



End of Period Balances as of
June 30, 2022

(1) Commercial & Industrial includes Commercial & Industrial loans and Owner Occupied CRE loans

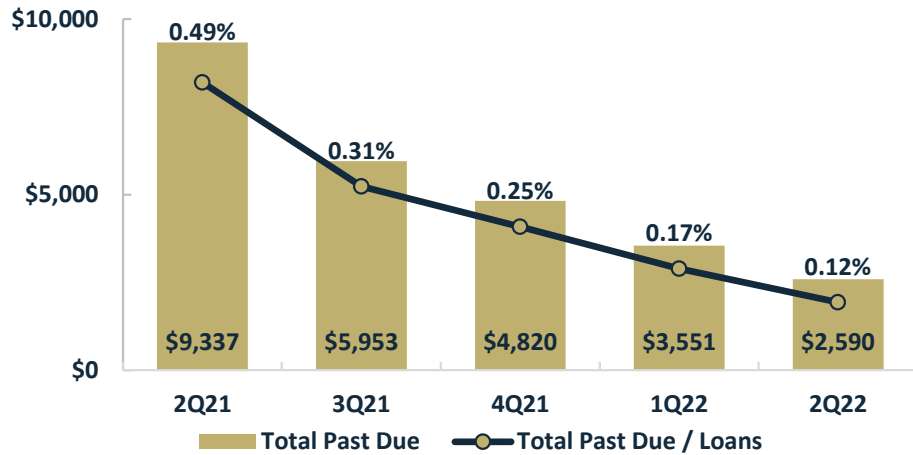
(2) As of June 30, 2022

(3) Excludes the 2Q22 movement of Tri-Net loans

Loan Portfolio Performance

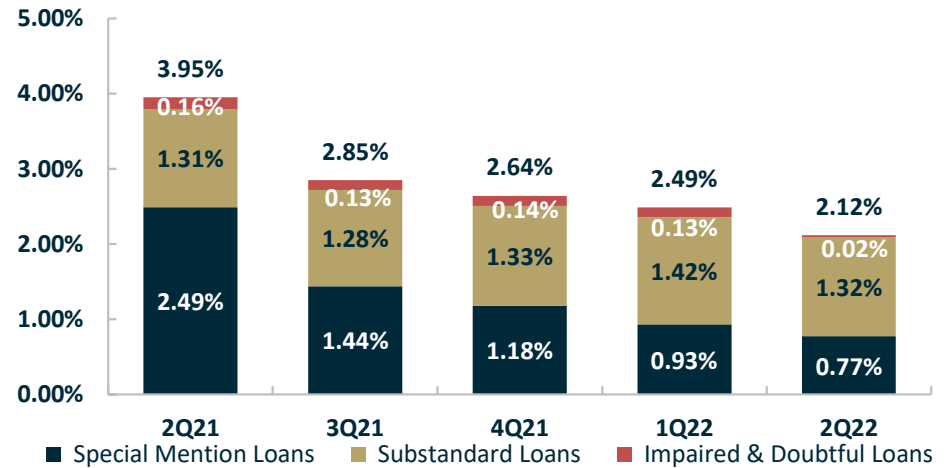
Past Due Trend

In thousands

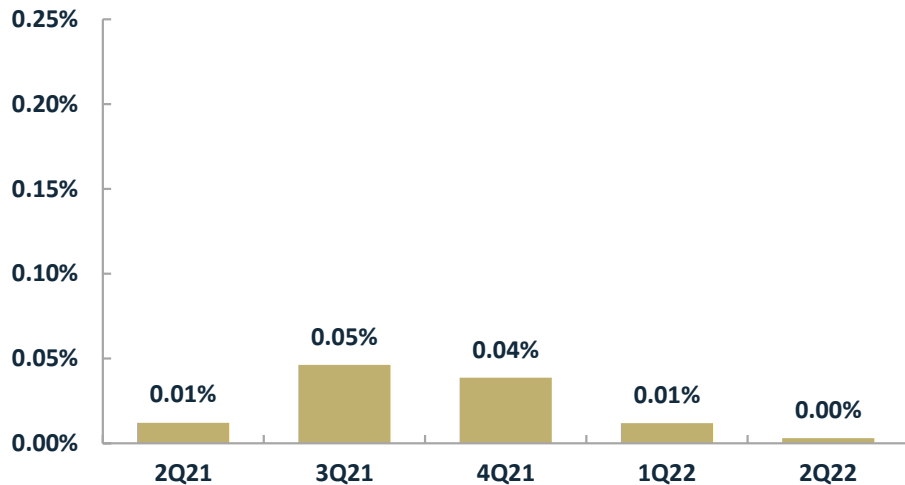


Criticized & Classified Loan Trends

As a % of Total Gross Loans



Annualized Net Charge-Offs / Average Loans



- Two consecutive quarters of record low past dues
- Past dues >90 days 0.02%
- Net charge-offs remained low and have averaged less than \$81K over the last 8 quarters
- Two recent independent loan reviews with no non-pass downgrades
- Independent stress test in process

Profitability Initiatives



Net Interest Margin

- Creating deposit first culture
- Implemented deposit pricing disciplines
- Improved loan generation capabilities
- Managing interest rate risk close to neutral

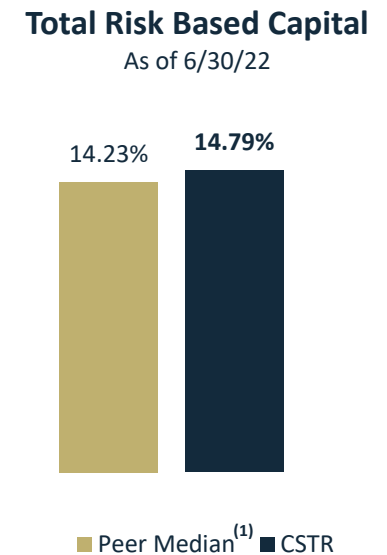
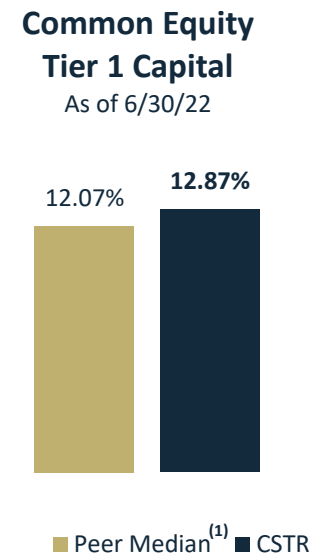
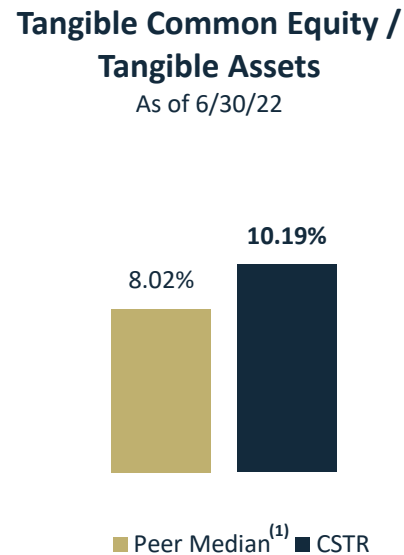
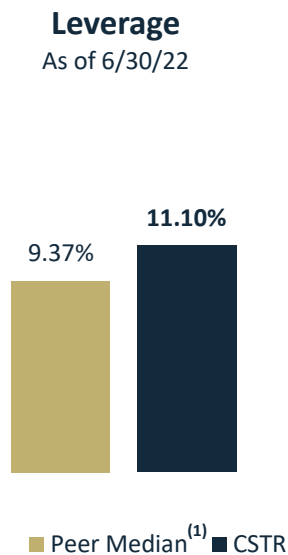
Productivity

- Adopting peer benchmarking culture
- Aligning incentives and increasing accountability
- Increased focus on share of wallet
- Implementing productivity measurements for all positions
- Reviewing 100% of operating expenses

Capital Allocation

- Evaluating strategies for excess capital and future capital generation
- Investing in our core business through additional bankers in Asheville, Chattanooga, Knoxville, and Nashville
- Established dividend guidelines targeting a 20-30% payout ratio
- Defined share repurchase parameters to allow us to be opportunistic

Capital Allocation Strategies



1 Internal Investment

- Primary Focus – investing in our core business
- Seeking organic growth that meets or exceeds our cost of capital
- Chattanooga, Knoxville, and Rutherford/Williamson markets current loan outstandings ~ \$622MM

2 Dividends

- Targeting 20-30% payout ratio
- Paid \$0.10 dividend per share in 2Q22, an increase from \$0.06

3 Share Repurchase

- At times, our stock is our best investment
- \$30MM authorization
- 299,206 shares purchased year-to-date through June 30, 2022
- \$23.9MM remaining

4 M&A

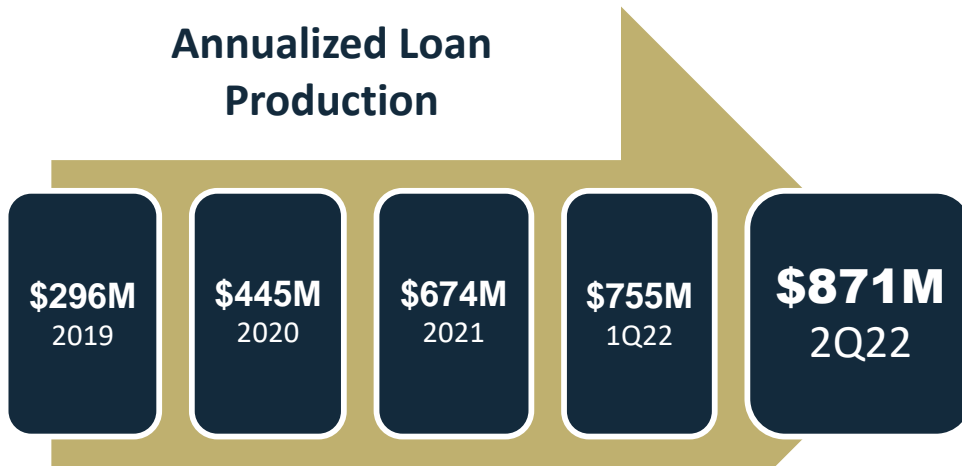
- Must have strong strategic rationale
- Disciplined pricing

(1) Source: S&P Capital IQ, Peer Medians based on Selected Nationwide Major Exchange Banks and Thrifts with Assets \$2.0 Billion - \$6.5 Billion as of 2Q22 and 1Q22 for banks that have not yet reported

Growth Opportunities



Annualized Loan Production

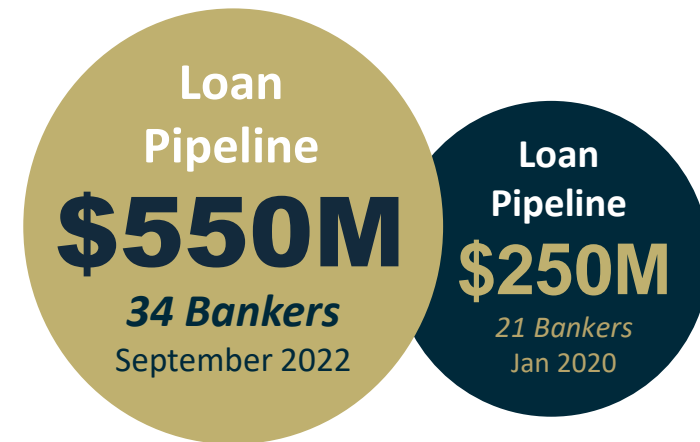


Increasing core banking capabilities

- Accelerating loan production

Stronger line-up of high-performing bankers

- From 21 in 2020 to 34 bankers today
- Average pipeline per banker has increased from \$12MM to \$18MM
- Targeting minimum pipelines and portfolios of \$10MM and \$100MM each



New Market Progress

- Entered **Knoxville** in February 2020 with loans totaling \$198MM at September 15, 2022
- Entered **Rutherford/Williamson County** markets in October 2020 with loans totaling \$216MM at September 15, 2022
- Entered **Chattanooga** in November 2021 with loans totaling \$207MM at September 15, 2022
- Announced entry into **Asheville** in July 2022

De Novo Lift-out Experience



	TARGET	Chattanooga	Knoxville
Pretax Preprovision Breakeven	9 months	✓ 5 months	✓ 7 months
Pretax Preprovision Earnback	18 months	✓ 7 months	✓ 12 months
Net Income Breakeven	15 months	NA	✗ 18 months
Net Income Earnback	30 months	NA	✓ 22 months
IRR	30%+	NA	NA

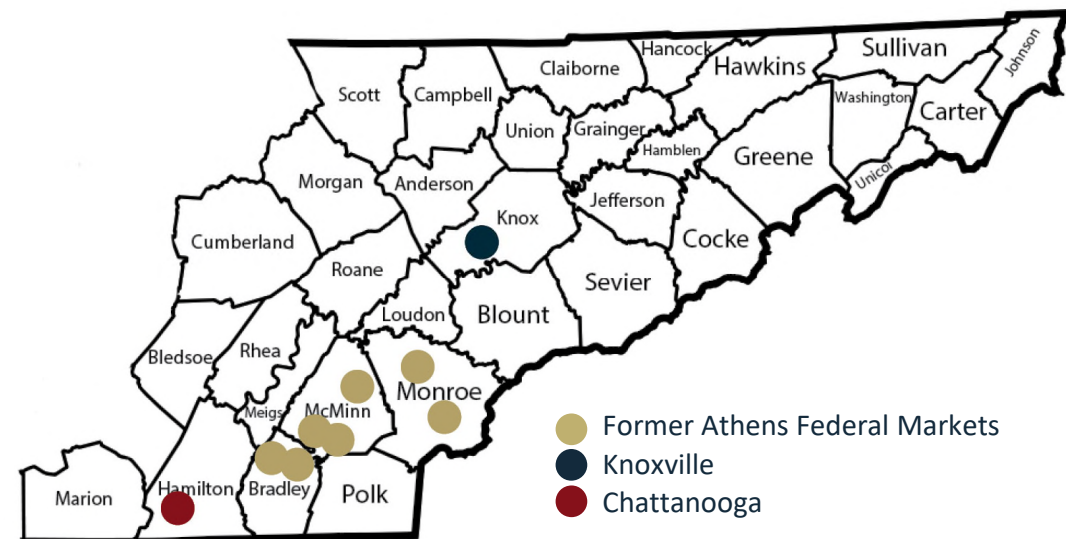
Asheville Expansion

- Led by one Commercial Relationship Manager, hired to grow and serve Asheville customers
- Strategically:
 - Consistent with our message of investing excess capital in local market, core banking
 - With Chattanooga and Knoxville, demonstrates quality high-quality lift-out experience
 - Low risk vs acquisitions
 - Diversifies CapStar's markets and revenues
 - Twelve community banks have been acquired since 2008
 - Commercial customers now frequently served from Charlotte



Chattanooga Expansion

- Following 4Q21 successful entry into Chattanooga, added four additional relationship managers to our existing five to grow and serve Chattanooga customers
- Strategically:
 - Consistent with our message of investing excess capital in local market, core banking
 - With Knoxville, demonstrates quality high-quality lift-out experience
 - Low risk vs acquisitions
 - Diversifies CapStar's markets and revenues
 - Complimentary to Athens Federal and Knoxville investments
 - Provides strong in-state loan potential for current excess liquidity
- Results:
 - \$207MM in loans; \$22MM in deposits as of September 15, 2022



Shareholder Performance



Expanded Research Coverage

Aided by expanded institutional research

- Added three firms over the past year increasing coverage to six firms

Attractive Growth Opportunities Remain, and Core Bank Performance Continues to Impress - Given the recent expansion into Asheville, key hires in Chattanooga + Nashville, and general demographics of CapStar's footprint, we think the bank is positioned to grow loans at a disproportionate rate over the next 2+ years while delivering solid profitability ... Simply put, we believe CSTR has become well-managed bank that operates in fantastic growth markets - which creates tremendous scarcity value for the franchise.

- Piper Sandler (July 22, 2022)

Story is Turning into One of the Most Attractively Positioned Banks Geographically. While the markets CSTR is currently in and recently expanded into are highly competitive, we think the growth opportunity path from here is significantly above most peers. CSTR remains a favorite small-cap name given strong profitability, a solid and growing profile in attractive markets in TN and western NC, and ample capital position.

- Hovde (July 25, 2022)

New Markets Adding Significantly to Growth and EPS Outlook. CSTR's hiring efforts and expansion into new markets (Chattanooga, Knoxville and Asheville) are adding to growth YTD and the outlook as CSTR put up another +30% loan growth quarter. CSTR entered Chattanooga in 4Q21 and this market already has \$188mm in loans and \$13mm in deposits and was breakeven to PPNR within 5 months.

- Keefe, Bruyette & Woods (July 24, 2022)

CSTR continues to expand into new de novo markets. The company is opening a new Asheville office and has recently hired more employees in Chattanooga. **The Knoxville and Chattanooga markets contributed \$0.01 of EPS in 2Q22.**

- Truist (July 25, 2022)

We continue to recommend CSTR shares with a BUY rating as profitability still remains strong despite our modest reduction in forward estimates. Core ROA rises from 1.28% in 2Q to the 1.50%+ range in the latter half of 2022 as multiple recent team lift outs drive continued Loan and Deposit growth.

- Janney (July 22, 2022)

... we expect loan growth to remain the main tailwind, even in a slowing economy, given the resiliency and vibrancy of CSTR's core metro Nashville market, and likely increasing contributions from the expansion markets (i.e., Knoxville, Chattanooga, and Asheville).

Additionally, as CSTR continues to put its excess capital to work, and as the expansion markets steadily mature and gain scale, we view this as a natural tailwind for core profitability rather than a drag.

- DA Davidson (July 22, 2022)

Improved Shareholder Profile

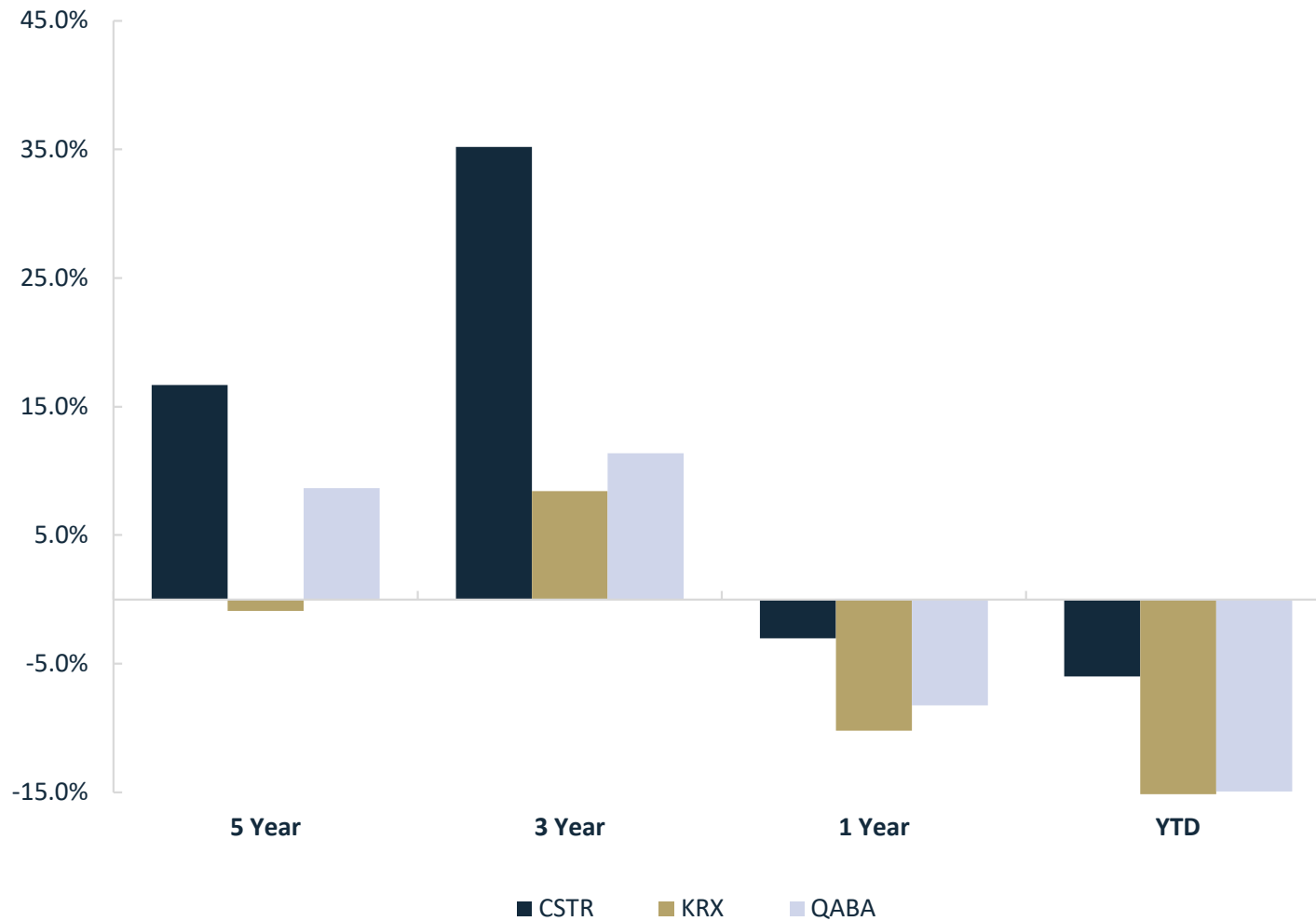
Institutional Investors		
6/30/2019		6/30/2022
BlackRock	1	BlackRock
<i>Corsair</i>	2	Vanguard
Vanguard	3	<i>FJ Capital</i>
<i>Elizabeth Park</i>	4	Dimensional
<i>Ranger</i>	5	<i>Private Capital</i>
Foresters	6	Russell
Dimensional	7	State Street
<i>BHZ Capital</i>	8	Geode
Penn Capital	9	<i>DePrince Race</i>
State Street	10	<i>Ranger</i>

Institutional Investors		
6/30/2019		6/30/2022
<i>Alliance Bernstein</i>	11	<i>BHZ Capital</i>
Macquarie	12	Renaissance
Renaissance	13	<i>Kennedy</i>
Geode	14	<i>Wellington</i>
Northern Trust	15	BB&T
Equitable	16	JP Morgan
BNY	17	BNY
Acadian	18	<i>River Oaks</i>
Bridgeway	19	Northern Trust
TIAA	20	Equitable

- Institutional ownership has increased from 28% to 45%
- Average daily trading volume has increased about 10,000
- Increase in actively managed bank-focused funds
- Successfully exited Corsair and Greg Daily with little to no impact to valuation
- BHZ Capital which seeks to invest in event driven situations declined their position in 2Q22
- BlackRock, Vanguard, and State Street are Index funds

Superior Shareholder Results

Total Shareholder Returns vs.
Industry Average¹
As of 6/30/2022



(1) Source: S&P Capital IQ

Looking Forward



2H22 Outlook

As of September 2022	
Economy	<ul style="list-style-type: none"> • Increase in the Fed Funds rate over the next year with modest yield curve inversion • A potential for slower economic growth or recession
Loan Growth	<ul style="list-style-type: none"> • Targeting high single to low double-digit growth with appropriate spreads to align with funding trends
Deposit Growth	<ul style="list-style-type: none"> • Continuing to develop deposit capabilities to provide an improved long-term funding base • Disciplined use of alternative funding such as brokered CDs and wholesale funding
Net Interest Income	<ul style="list-style-type: none"> • Strong loan pipeline and production provide opportunity for continued NII growth • Deposit pricing pressure has increased as more rate sensitive customers are more aggressively exploring options. • Loan pricing headwind as competitors have not fully responded to market rate increases • NII could benefit modestly from parallel rate increases though declines modestly for a curve flattening scenario • Anticipate our net interest margin to be flat or in this range
Provision Expense	<ul style="list-style-type: none"> • Continued low net charge-offs and stable credit trends though not immune to economic conditions • Adoption of CECL 1/1/23
Non-Interest Income	<ul style="list-style-type: none"> • 2H22 Mortgage environment looks challenging. Reduced support staff positions approximately \$400K annualized in late 3Q22. Favorable long-term outlook given strong markets, strength of Mortgage team, and purchase money focus. • Working through remaining Tri-Net volumes booked during the recent volatile rate period and have ceased production until we have observed market stabilization. Recently implemented hedging against market rate increases. Previously disclosed sale of \$65MM resulting in \$1.5MM loss; \$25MM remaining to be sold. • Quarterly SBA fees approximating 1H22 total going forward. In discussions with SBA producers whose production approximates \$100MM.
Non-Interest Expense	<ul style="list-style-type: none"> • Bank-only expense of approximately \$16-\$16.5MM per quarter
Income Taxes	<ul style="list-style-type: none"> • Expected tax rate to remain at approximately 20% for 2022
Capital	<ul style="list-style-type: none"> • Progression toward targeted capital levels through loan growth, in-market and new market lift-outs, increased dividends, and share repurchases

Quality Management Team

- Strong operational and capital allocation experience
- Insiders own ~10% of the company
- Shareholder-friendly culture

Catalyst for Improved Profitability and Growth

- Opportunity to lever expenses from bankers added in 2021 and 2022
- Excess capital levels available to support balance sheet growth or share repurchases
- Specialty Banking businesses provided limited contribution in 2Q22

Repeatable Investment Opportunities

- Beneficiary of significant in-migration and growing number of dissatisfied large regional bank customers
- Lift-out opportunities of bankers who value an entrepreneurial culture and size where they make an impact
- M&A available to capitalize on continued consolidation

Attractive Valuation

- Strong financial performance and growth metrics
- Attractive footprint with considerable scarcity value
- Opportunity for superior shareholder returns through earnings growth and multiple expansion

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