#### **EARNINGS RELEASE**

#### **CONTACT**

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



# CapStar Financial Holdings, Inc. Report First Quarter 2020 Results

Entering Cycle with Strong Balance Sheet Position

# NASHVILLE, TN, April 27, 2020/GlobeNewswire/ -- CapStar Financial Holdings, Inc. ("CapStar")

(NASDAQ:CSTR) reported first quarter net income of \$1.3 million, pre-tax pre-provision income of \$8.3 million, and increased its allowance for loan losses \$7.5 million based on an initial assessment of the range of potential impacts from the COVID-19 pandemic to its loan portfolio. As a result, CapStar's allowance for loan losses to total loans increased during the quarter from 0.89 percent to 1.39 percent at March 31, 2020. Fully diluted earnings per share were \$0.07, compared to \$0.25 from a year ago. Excluding merger-related and other charges, operating (1) earnings per share were \$0.08.

"I am pleased with the quality and improvement in our first quarter pre-tax pre-provision earnings, given how challenging the industry's outlook was for 2020," said Timothy K. Schools, CapStar's president and chief executive officer. "Mid-quarter, our attention quickly and unexpectedly pivoted to addressing the impacts of COVID-19. I could not be prouder of what our teammates have accomplished working together to support each other, clients, and communities. It is unimaginable that over the last forty-five days we mobilized 100% of our non-branch employees to work from home, served our clients solely through online banking and drive thru locations, and responded and processed approximately 1,700 applications for the Small Business Administration's Paycheck Protection Program."

"Importantly, our leadership team proactively enacted well thought out pandemic procedures," Schools continued. "Forward thinking in technology investments, liquidity planning, credit administration, and capital planning positions us well as we enter the current cycle. We believe in and are excited about our communities and look forward to continuing to be a leader as we all work together to navigate this environment. While we will face uncertain challenges in the near-term and loan losses are likely, we are cautiously optimistic with the initial assessment of our credit risk."

#### **Soundness**

- Annualized net charge-offs to average loans were 0.01% for the three months ended March 31, 2020 compared to 0.01% for the same period in 2019.
- Non-performing assets to total loans and OREO were 0.26% at March 31, 2020 compared to 0.19% at March 31, 2019.
- The leverage ratio was 11.19% at March 31, 2020 compared to 10.97% at March 31, 2019.
- The total risk based capital ratio was 13.64% at March 31, 2020 compared to 12.64% at March 31, 2019.

## **Profitability**

- Net interest margin for the three months ended March 31, 2020 was 3.50% compared to 3.75% for the same period in 2019.
- The operating efficiency ratio for the three months ended March 31, 2020 was 61.78% compared to 65.01% for the same period in 2019.
- Operating annualized pre-tax pre-provision income to average assets for the three months ended March 31, 2020 was 1.68% compared to 1.55% for the same period in 2019.
- Operating annualized return on average assets for the three months ended March 31, 2020 was 0.30% compared to 1.06% for the same period in 2019.
- Operating annualized return on average tangible equity for the three months ended March 31, 2020 was 2.68% compared to 10.02% for the same period in 2019.

#### Growth

- Average deposits for the quarter ended March 31, 2020 increased 9.3% to \$1.74 billion, compared to \$1.59 billion for the same period in 2019.
- Average gross loans for the quarter ended March 31, 2020 fell 2.8% to \$1.42 billion, compared to \$1.46 billion for the same period in 2019.
- Pre-tax pre-provision earnings for the quarter ended March 31, 2020 increased 18.7% to \$8.3 million, compared to \$7.0 million for the quarter ended March 31, 2019.
- Tangible book value per share for the quarter ended March 31, 2020 increased 9.6% to \$12.66, compared to \$11.55 for the quarter ended March 31, 2019.

## **Dividend**

As previously announced on April 22, 2020, the board of directors of CapStar approved a quarterly dividend of \$0.05 per common share that will be paid on May 29, 2020 to shareholders of record of CapStar's common stock as of the close of business on May 15, 2020.

#### **Conference Call and Webcast Information**

CapStar will host a conference call and webcast at 8:30 a.m. Central Time on Tuesday, April 28, 2020. During the call, management will review the first quarter results and operational highlights. Interested parties may listen to the call by dialing (844) 412-1002. The conference ID number is 2681305. A simultaneous webcast may be accessed on CapStar's website at ir.capstarbank.com by clicking on "News & Events." 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 March 31, 2020, on a consolidated basis, CapStar had total assets of \$2.07 billion, gross loans of \$1.45 billion, total deposits of \$1.76 billion, and shareholders' equity of \$275.8 million. Visit www.capstarbank.com for more information.

#### FORWARD-LOOKING STATEMENTS

This release 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. These statements are based on current expectations and are provided to assist in the understanding of our operations and future financial performance. Our operations and such performance involves risks and uncertainties, including but in no way limited to the effect of the COVID-19 pandemic, that may cause actual results to differ materially from those expressed or implied in

any such statements. For a discussion of some of the risks and other factors that may cause such forward-looking statements to differ materially from actual results, please refer to CapStar's filings with the Securities and Exchange Commission, including its 2019 Annual Report on Form 10-K under the sections entitled "Forward-Looking Statements" and "Item 1A Risk Factors." Forward-looking statements speak only as of the date they are made, and except as otherwise required by applicable law, we undertake no obligation to update or revise forward-looking statements.

## **NON-GAAP MEASURES**

This release 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 FINANCIAL HOLDINGS, INC. AND SUBSIDIARY

Consolidated Statements of Income (unaudited) (dollars in thousands, except share data) First Quarter 2020 Earnings Release

First Quarter 2020 Earnings Release		Three Months Ended March 31,							
	2020		2019						
Interest income:									
Loans, including fees	\$	19,738 \$	20,592						
Securities:									
Taxable		1,174	1,346						
Tax-exempt		321	377						
Federal funds sold		_	19						
Restricted equity securities		142	187						
Interest-bearing deposits in financial institutions		363	446						
Total interest income		21,738	22,967						
Interest expense:									
Interest-bearing deposits		1,901	1,594						
Savings and money market accounts		1,551	1,718						
Time deposits		1,481	1,813						
Federal funds purchased		´—	4						
Securities sold under agreements to repurchase		_	5						
Federal Home Loan Bank advances		144	831						
Total interest expense		5,077	5,965						
Net interest income		16,661	17,002						
Provision for loan losses		7,553	886						
Net interest income after provision for loan losses		9,108	16,116						
Noninterest income:		7,100	10,110						
Treasury management and other deposit service charges		775	798						
Net gain on sale of securities		27	12						
Tri-Net fees		599	641						
Mortgage banking income		2,253	1,385						
Wealth management fees		407	306						
Interchange and debit card transaction fees		724	579						
Other noninterest income		1,089	1,014						
Total noninterest income		5,874	4,735						
Noninterest expense:		3,674	4,733						
Salaries and employee benefits		8,002	8,432						
Data processing and software		1,864	1,474						
Professional fees		636	543						
Occupancy		820	883 852						
Equipment		751	274						
Regulatory fees Merger related expenses		163							
·		290 386	594 430						
Amortization of intangibles									
Other operating		1,299	1,243						
Total noninterest expense		14,211	14,725						
Income before income taxes		771	6,126						
Income tax expense (benefit)	ф.	(575)	1,346						
Net income	<u>\$</u>	1,346 \$	4,780						
Per share information:									
Basic net income per share of common stock	\$	0.07 \$	0.27						
Diluted net income per share of common stock	\$	0.07	0.25						
Weighted average shares outstanding:	<del></del>								
Basic	18.	392,913	17,783,239						
Diluted		443,725	18,830,933						
Direct	18,	<del></del>	10,030,333						

This information is preliminary and based on CapStar data available at the time of this earnings release.

# CAPSTAR FINANCIAL HOLDINGS, INC. AND SUBSIDIARY Selected Quarterly Financial Data (unaudited) (dollars in thousands, except share data) First Quarter 2020 Earnings Release

Ner interest income		Five Quarter Comparison									
Ner interest income		_	3/31/20		12/31/19	_	9/30/19	_	6/30/19		3/31/19
Provision for loan losses	Income Statement Data:										
Net interest income after provision for loan losses   9,08   16,581   17,281   17,008   16,111   17,008   16,111   17,008   17,008   16,111   17,008   17,		\$		\$	16,581	\$		\$	17,008	\$	17,002
Tressury management and other deposit service charges         775         736         788         813         775           Net gain (loss) on sule of securities         27         9         —         (121)         1.1           Tri-Net fees         599         274         847         1,024         64           Mortgage banking income         2,233         2,316         2,679         3,087         1,388           Wealth management fees         407         407         759         3,34         30           Interchange and debit card transaction fees         1,889         1,049         1,341         904         1,01           Other noninterest income         5,874         5,719         6,788         7,032         4,73           Salaris and employee benefits         8,002         9,318         9,229         8,863         8,843           Date processing and software         1,864         1,815         1,709         1,862         1,47           Professional English         2,60         531         528         801         1,47           Professional Service         366         531         528         801         1,47           Professional Service         363         328         1,81         1,		_				_		_		_	886
Net gain floss) on sale of securities   27   9   7   12   12   12   12   12   12   13   14   14   14   14   14   14   14		_									16,116
Tri-Net fees         599         274         847         1,024         644           Mortgage banking income         2,253         2,316         2,679         3,087         1,388           Wealth management fees         407         407         379         3,34         300           Interchange and debit card transaction fees         724         928         734         990         5,73           Other nominterest income         5,874         5,719         6,788         7,932         4,733           Otal nominterest income         5,874         5,719         6,788         7,932         4,733           Stalaries and employee benefits         8002         9,318         9,292         8,563         8,433           Date processing and software         1,864         1,835         1,790         1,862         1,471           Professional fees         636         531         528         809         88           Equipment         731         834         1,012         1,002         88           Equipment         731         834         1,012         9,00         88           Equipment         731         834         1,012         4,02           Merger leaked expenses			775				788		813		798
Mortgage banking income         2,231         2,316         2,679         3,087         1,348           Wealth management fees         407         407         379         334         30           Other noninterest income         1,089         1,049         1,341         990         1,57           Other noninterest income         5,874         5,719         6,788         7,032         4,73           Salaris and employee benefits         8,002         9,318         9,229         8,563         8,43           Salaris and employee benefits         1,864         1,835         1,790         1,862         1,47           Professional fees         636         5,31         528         501         54           Occupancy         820         795         8,58         809         88           Regulatory fees         163         28         18         272         27           Mortization of intangibles         336         397         408         419         434           Other operating         1,299         1,365         1,511         1,711         59           Amortization of intangibles         336         397         408         419         43           Other operati							_				12
Weath management fees Interchange and debit card transaction fees         747         928         754         991         375           Other noninterest income         1.089         1.049         1.341         904         1.01-           Total noninterest income         5.874         5.719         6.788         7.020         4.735           Stalaries and employee benefits         8.002         9.318         9.229         8.563         8.43           Data processing and software         1.864         1.835         1.790         1.862         1.47           Professional fees         636         531         528         8.09         8.88           Occupancy         820         7.751         8.58         8.09         8.88           Regulatory fees         163         2.8         1.81         2.72         2.77           Merger related expenses         163         1.83         1.012         1.02         8.58           Regulatory fees         163         1.89         1.361         1.81         2.72         4.72           Merger related expenses         163         1.89         1.361         1.501         1.301         1.42           Total noninterest expense         1.229         1.365											641
Internating and debrit card transaction fees											1,385
Other nominterest income         1.08         1.04         1.341         904         1.01-           Total nominterest income         5.874         5.719         6.788         7.032         4.73           Stalaries and employee benefits         8.002         9.318         9.229         8.563         8.43           Data processing and software         1.864         1.833         1.790         1.862         1.47           Professional fee         636         5.31         5.28         501         54           Cocupancy         820         7.95         8.88         809         8.88           Equipment         751         8.34         1.012         1.026         85.           Equipment         751         8.34         1.012         1.02         2.27           Merger related expenses         1290         163         1.87         1.711         5.9           Memorization of intangibles         383         3.50         1.531         1.010         1.421           Total nominterest expense         771         7.04         8.53         7.57         6.122           Kei income before income tax expense         771         7.04         8.53         7.57         6.122	č										306
Total nominterest income   5.874   5.719   6.788   7.032   4.735     Salaries and employee benefits   8.8002   9.318   9.229   8.563   8.435     Data processing and software   1.864   1.835   1.790   1.862   1.477     Professional fees   636   531   528   501   545     Occupancy   820   795   588   809   888     Equipment   751   834   1.012   1.026   855     Equipment   751   834   1.012   1.026   855     Equipment   751   834   1.012   1.026   855     Regulatory fees   163   28   18   272   2.77     Merger related expenses   290   163   187   1.711   598     Amortization of intangibles   386   397   408   419   430     Other operating   1.299   1.365   1.551   1.6470   1.472     Total nominterest expense   14.211   15.266   15.531   1.6470   1.472     Total nominterest expense   771   7.034   8.538   7.570   6.124     Income tax expense (benefit)   6.755   1.613   2.072   1.814   1.344     Net income before income tax expense   18.392.913   18.350.94   17.741.778   17.639.94     Net income before income tax expense   18.392.913   18.350.94   17.741.778   17.639.94     Net income per share, sharic   18.392.913   18.359.94   17.741.778   17.639.95   17.782.334     Weighted average shares - basic   18.932.913   18.359.94   17.741.778   17.639.95   17.782.334     Weighted average shares - diluted   18.443.725   18.443.916   18.532.479   18.650.706   18.830.93     Net income per share, diluted   18.443.725   18.443.916   18.532.479   18.650.706   18.830.93     Net income per share, diluted   18.443.725   18.443.916   18.532.479   18.650.706   18.830.93     Net income per share, diluted   18.443.725   18.443.916   18.532.479   18.650.706   18.830.93     Net income per share, diluted   18.443.725   18.443.916   18.532.479   18.650.706   18.830.93     Net income per share, diluted   18.443.725   18.443.916   18.532.479   18.650.706   18.830.93     Net income per share, diluted   18.443.725   18.443.916   18.532.479   18.650.706   18.830.93     Net income per share, diluted   18.443.725   18.443.916   18.532.479   1											579
Salaries and employee benefits         8,002         9,318         9,209         8,563         8,437           Data processing and software         1,864         1,835         1,790         1,862         1,475           Professional flees         636         531         528         501         54           Occupancy         820         795         885         809         885           Regulatory fees         163         28         118         272         2.77           Merger related expenses         163         28         18         272         2.77           Merger related expenses         163         28         18         272         2.77           Merger related expenses         163         28         18         272         2.77           Merger related expenses         163         2.98         1,535         1,501         1,307         1,427           Other operating         1,299         1,365         1,501         1,307         1,427           Net income before income tax expense         771         7,034         8,538         7,570         1,422           Net income before income tax expense         271         1,613         2,072         1,814         1,344	Other noninterest income	_				_					1,014
Data processing and software         1,864         1,835         1,790         1,862         1,47-Professional fees           Cocupancy         820         795         828         501         54-Cocupancy         88           Equipment         751         834         1,012         1,026         85           Equipment (see)         163         28         1,12         1,026         85           Regulatory fees         1290         163         187         1,711         59-Cocupancy           Amortization of intangibles         386         397         408         419         43           Mortization of intangibles         386         397         408         419         43           Mortization of intangibles         1,229         1,365         1,511         1,711         59-Cocupancy           Mortization of intangibles         1,242         1,526         1,551         1,617         1,242           Total nomiterest expense         1,421         1,526         1,553         1,6470         1,472           Net income before income tax expense         1,121         1,526         1,531         1,6470         1,472           Net income before share, disude         18,392,91         18,343,91 <t< td=""><td>Total noninterest income</td><td></td><td>5,874</td><td></td><td>5,719</td><td></td><td></td><td></td><td>7,032</td><td></td><td>4,735</td></t<>	Total noninterest income		5,874		5,719				7,032		4,735
Professional fees         636         531         528         501         54           Occupancy         820         795         858         809         88           Equipment         751         834         1012         1,026         85           Regulatory fees         163         28         18         272         27           Amortization of intangibles         386         397         408         419         43           Other operating         1,299         1,365         1,501         1,307         1,43           Otal connectate sepense         12,11         15,266         1,531         1,6470         14,722           Not income before income tax expense         771         7,034         8,538         7,570         6,12           Not income before income tax expense         18,134         5,421         6,666         5,756         8,438           Weighted average shares- basic         18,399,913         18,350,994         17,741,778         17,66,992         17,832,33           Weighted average shares - basic         18,437,25         18,431         18,532,499         18,650,760         18,830,33           Not income per share, basic         20,07         20,30         15,50	Salaries and employee benefits		8,002		9,318		9,229		8,563		8,432
Occupancy         820         795         858         809         88.8           Equipment         751         834         1,012         1,026         85.5           Regulatory fees         163         28         18         272         27.7           Merger related expenses         290         163         187         1,711         59.9           Amortization of intangibles         386         397         408         419         433           Other operating         1,299         1,365         1,501         1,307         1,424           Total nominterest expense         711         7,034         8,538         8,750         6,124           Net income before income tax expense         (675)         1,613         2,072         1,814         1,344           Net income before income tax expense         (875)         1,613         2,072         1,814         1,344           Net income before income tax expense         (875)         1,613         2,072         1,814         1,344           Net income before income tax expense         (875)         1,613         2,072         1,814         1,344           Weighted average shares - shaic         (875)         8,334         1,614         1,665,076<	Data processing and software		1,864		1,835		1,790		1,862		1,474
Equipment         751         834         1,012         1,026         8.55           Regulatory fees         163         2.8         1.8         2.72         2.75           Amortization of intangibles         386         397         408         419         430           Other operating         1,299         1,365         1,501         1,307         1,245           Total anomiter expense         14,211         15,266         15,531         16,470         14,221           Net income before income tax expense         771         7,034         8,538         7,570         6,122           Net income before income tax expense (benefit)         (675)         1,613         2,072         1,814         1,424           Net income per shere, closeric         18,392,913         18,350,994         1,741,778         1,766,3992         1,738,233           Weighted average shares - shaic         18,392,913         18,350,994         1,741,778         1,766,3992         1,783,233           Weighted average shares - dailuted         0,07         0,29         0,35         0,31         0,23           Net income per share, dailuted         0,07         0,29         0,35         0,33         0,22           Stab and cash equivalents         <	Professional fees		636		531		528		501		543
Regulatory fees         163         28         18         272         27-           Merger related expenses         290         163         187         1,711         59-           Amortization of intangibles         386         397         408         419         433           Other operating         1,299         1,365         1,501         1,307         1,247           Total nominterest expense         771         7,034         8,538         7,570         6,122           Net income before income tax expense         771         7,034         8,538         7,570         6,122           Net income before income tax expense (benefit)         (575)         1,613         2,072         1,814         1,344           Net income before income tax expense (benefit)         (575)         1,613         2,072         1,814         1,344           Net income per share, descented         18,392,913         1,850,904         17,741,778         17,663,992         17,783,233           Weighted average shares - basic         18,343,215         1,843,916         18,539,94         17,741,778         17,663,992         17,783,233           Weighted average shares - diluted         0,07         0,20         0,35         0,33         0,22	Occupancy		820		795		858		809		883
Merger related expenses         290         163         187         1,711         598           Amortization of intangibles         386         397         408         419         430           Other operating         1,299         1,366         1,501         1,307         1,242           Total nominterest expense         771         7,034         8,538         7,570         6,122           Net income before income tax expense         771         7,034         8,538         7,570         6,124           Rocent tax expense (benefit)         (575)         1,613         2,072         1,814         1,344           Net income         \$1,346         \$5,421         \$6,466         \$5,756         \$4,788           Weighted average shares - basic         18,332,913         18,330,904         17,741,778         17,66,992         17,832,334           Weighted average shares - diluted         18,437,25         18,443,916         1852,479         18,650,906         18,809,303           Net income per share, basic         \$0,07         \$0.30         \$0.35         \$0.31         \$0.22           All income per share, diluted         \$0.07         \$0.29         \$154,021         \$156,085         \$120,322           Securities avaliable-for-bate	Equipment		751		834		1,012		1,026		852
Amortization of intangibles         386         397         408         419         438           Other operating         1,299         1,365         1,501         1,307         1,247           Total noninterest expense         14,211         15,266         15,531         16,470         14,722           Net income before income tax expense         771         7,034         8,538         7,570         6,126           Income tax expense (benefit)         6,575         1,613         2,072         1,814         1,344           Net income         18,392,913         18,350,994         17,741,778         17,663,992         17,783,23           Weighted average shares - basic         18,343,25         18,443,916         18,532,479         18,650,706         18,830,933           Net income per share, basic         8,07         0,03         9,035         9,03	Regulatory fees		163		28		18		272		274
Other operating         1,299         1,365         1,501         1,307         1,247           Total nominterest expense         14,211         15,266         15,531         16,470         14,222           Net income before income tax expense         771         7,034         8,538         7,570         6,126           Income tax expense (benefit)         (575)         1,613         2,072         1,814         1,344           Net income         18,324,91         18,359,994         17,4778         17,663,992         17,833,933           Weighted average shares - basic         18,434,725         18,439,104         18,532,494         18,607,06         18,830,933           Net income per share, basic         9,07         0,03         0,03         0,03         0,02           Net income per share, diluted         0,07         0,03         0,03         0,03         0,02           Securities and allote-forsale         219,213         213,129         203,50         194,97         233,69           Securities held-to-maturity         3,30         33,13         33,13         3,72         3,72           Cours held for sale         186,93         146,83         1,420,10         1,41,768         1,40,61         1,467,88           <	Merger related expenses		290		163		187		1,711		594
Total noninterest expense         14,211         15,266         15,531         16,470         14,722           Net income before income tax expense         771         7,034         8,538         7,570         6,122           Income tax expense (benefit)         (575)         1,134         8,538         7,570         6,124           Net income         \$1,346         \$5,421         \$6,466         \$5,756         \$4,788           Weighted average shares - basic         18,392,913         18,430,994         17,741,778         17,663,992         17,783,233           Net income per share, basic         \$0,07         \$0,29         0,35         \$0,33         \$0,02           Net income per share, diluted         0,07         \$0,29         0,35         \$0,31         \$0,23           Securities ack equivalents         \$91,450         \$101,269         \$154,021         \$156,085         \$102,32           Securities held-to-maturity         3,306         3,313         3,319         3,721         3,722           Loans held for sale         18,69,37         16,222         129,613         38,629         72,878           Total loans         1,446,835         1,420,102         1,411,768         1,440,617         1,467,788           Allowance f	Amortization of intangibles		386		397		408		419		430
Net income before income tax expense   771	Other operating	_	1,299		1,365		1,501		1,307		1,243
Income tax expense (benefit)	Total noninterest expense		14,211		15,266		15,531		16,470		14,725
Net income         \$ 1,346         \$ 5,421         \$ 6,466         \$ 5,756         \$ 4,786           Weighted average shares - basic         18,392,913         18,350,994         17,741,778         17,663,992         17,783,233           Weighted average shares - diulted         18,443,725         18,443,916         18,532,479         18,650,706         18,830,933           Net income per share, basic         \$ 0.07         \$ 0.30         \$ 0.36         \$ 0.33         \$ 0.22           Net income per share, diluted         \$ 0.07         \$ 0.29         \$ 0.35         \$ 0.31         \$ 0.22           Net income per share, diluted         \$ 0.07         \$ 0.29         \$ 0.35         \$ 0.31         \$ 0.22           Net income per share, diluted         \$ 0.07         \$ 0.29         \$ 0.35         \$ 0.31         \$ 0.22           Securities and lach equivalents         \$ 91,450         \$ 101,269         \$ 154,021         \$ 156,085         \$ 120,322           Securities available-for-sale         219,213         213,129         203,500         194,957         233,699           Securities available-for-sale         219,213         3,131         3,319         3,721         3,722           Loans held for sale         186,937         168,222         129,613         89,	Net income before income tax expense	_	771		7,034		8,538		7,570		6,126
Weighted average shares - basic         18,392,913         18,350,994         17,741,778         17,663,992         17,783,233           Weighted average shares - diluted         18,443,725         18,443,916         18,532,479         18,650,706         18,830,933           Net income per share, basic         \$ 0.07         \$ 0.30         \$ 0.35         \$ 0.31         \$ 0.25           Net income per share, diluted         \$ 0.07         \$ 0.29         0.35         \$ 0.31         \$ 0.25           alance Sheet Data (at period end):         \$ 0.07         \$ 0.29         \$ 154,021         \$ 156,085         \$ 120,321           Securities available-for-sale         \$ 91,450         \$ 101,269         \$ 154,021         \$ 156,085         \$ 120,321           Securities available-for-sale         \$ 219,213         213,129         203,500         194,957         233,691           Securities held-to-maturity         \$ 3,306         3,313         3,319         3,721         3,722           Loans held for sale         186,937         168,222         129,613         89,629         72,874           Total loans         1,446,835         1,420,102         1,411,768         1,440,617         1,467,786           Allowance for loan losses         (20,114)         (12,604)         (12,82	Income tax expense (benefit)		(575)		1,613		2,072		1,814		1,346
Weighted average shares - diluted         18,443,725         18,443,916         18,532,479         18,650,706         18,830,933           Net income per share, basic         \$ 0.07         \$ 0.30         \$ 0.35         \$ 0.31         \$ 0.22           Net income per share, diluted         \$ 0.07         \$ 0.29         \$ 0.35         \$ 0.31         \$ 0.22           atance Sheet Data (at period end):	Net income	\$	1,346	\$	5,421	\$	6,466	\$	5,756	\$	4,780
Weighted average shares - diluted         18,443,725         18,443,916         18,532,479         18,650,706         18,830,933           Net income per share, basic         \$ 0.07         \$ 0.30         \$ 0.35         \$ 0.31         \$ 0.22           Net income per share, diluted         \$ 0.07         \$ 0.29         \$ 0.35         \$ 0.31         \$ 0.22           atance Sheet Data (at period end):	Weighted average shares - basic	1	8,392,913	_	18,350,994	_	17,741,778	_	17,663,992	_	17,783,239
Net income per share, basic         \$ 0.07         \$ 0.30         \$ 0.36         \$ 0.33         \$ 0.22           Net income per share, diluted         0.07         0.29         0.35         0.31         0.25           Calance Sheet Data (at period end):         Cash and cash equivalents         \$ 91,450         \$ 101,269         \$ 154,021         \$ 156,085         \$ 120,321           Securities available-for-sale         219,213         213,129         203,500         194,957         233,691           Securities held-to-maturity         3,306         3,313         3,319         3,721         3,722           Loans held for sale         186,937         168,222         129,613         89,629         72,876           Total loans         1,446,835         1,420,102         1,411,768         1,446,617         1,467,786           Allowance for loan losses         (20,114)         (12,604)         (12,828)         (12,903)         (12,935)           Total assets         2,072,585         2,037,201         2,033,911         2,018,421         2,035,811           Non-interest-bearing deposits         442,789         312,096         352,266         326,550         312,597           Interest-bearing deposits         1,320,920         1,417,355         1,756,829											
Net income per share, diluted Income per share of common stock Income per share of capital Income quity tier I capital Income per share of capital Income share of cap											0.27
Ralance Sheet Data (at period end):           Cash and cash equivalents         \$91,450         \$101,269         \$154,021         \$156,085         \$120,321           Securities available-for-sale         219,213         213,129         203,500         194,957         233,692           Securities held-to-maturity         3,306         3,313         3,319         3,721         3,722           Loans held for sale         186,937         168,222         129,613         89,629         72,876           Total loans         1,446,835         1,420,102         1,411,768         1,440,617         1,467,786           Allowance for loan losses         (20,114)         (12,604)         (12,828)         (12,903)         (12,959           Total assets         2,072,885         2,037,201         2,033,911         2,018,421         2,035,811           Non-interest-bearing deposits         442,789         312,906         352,666         326,550         312,597           Interest-bearing deposits         1,320,920         1,417,355         1,379,497         1,396,220         1,366,205           Federal Home Loan Bank advances         10,000         10,000         10,000         10,000         10,000         10,000         175,55,29         1,755,757         1,776,			0.07		0.29		0.35		0.31		0.25
Cash and cash equivalents         \$ 91,450         \$ 101,269         \$ 154,021         \$ 156,085         \$ 120,321           Securities available-for-sale         219,213         213,129         203,500         194,957         233,691           Securities held-to-maturity         3,306         3,313         3,319         3,721         3,722           Loans held for sale         186,937         168,222         129,613         89,629         72,876           Total loans         1,446,835         1,420,102         1,411,768         1,440,617         1,467,788           Allowance for loan losses         (20,114)         (12,604)         (12,828)         (12,903)         (12,955           Total assets         2,072,585         2,037,201         2,033,911         2,018,421         2,035,81           Non-interest-bearing deposits         442,789         312,096         352,266         326,550         312,597           Interest-bearing deposits         1,320,920         1,417,355         1,379,497         1,396,220         1,366,202           Federal Home Loan Bank advances         10,000         10,000         10,000         10,000         10,000         75,000           Shareholders' equity         275,790         273,046         268,082         262,664<											
Securities available-for-sale         219,213         213,129         203,500         194,957         233,69           Securities held-to-maturity         3,306         3,313         3,319         3,721         3,722           Loans held for sale         186,937         168,222         129,613         89,629         72,876           Total loans         1,446,835         1,420,02         1,411,768         1,440,617         1,467,786           Allowance for loan losses         (20,114)         (12,604)         (12,828)         (12,903)         (12,955)           Total assets         2,072,585         2,037,201         2,033,911         2,018,421         2,035,811           Non-interest-bearing deposits         442,789         312,096         352,266         326,550         312,597           Interest-bearing deposits         1,320,920         1,417,355         1,379,497         1,396,220         1,366,205           Federal Home Loan Bank advances         10,000         10,000         10,000         10,000         10,000         75,000           Total shares of common stock outstanding         18,307,802         1,764,155         1,765,829         1,755,757         1,7765,122           Total shares of common stock outstanding         18,361,922         18,343,403		\$	91,450	\$	101,269	\$	154,021	\$	156,085	\$	120,321
Securities held-to-maturity         3,306         3,313         3,319         3,721         3,722           Loans held for sale         186,937         168,222         129,613         89,629         72,870           Total loans         1,446,835         1,420,102         1,411,768         1,440,617         1,467,780           Allowance for loan losses         (20,114)         (12,604)         (12,828)         (12,903)         (12,955)           Total assets         2,072,585         2,037,201         2,033,911         2,018,421         2,035,811           Non-interest-bearing deposits         442,789         312,096         352,266         326,550         312,597           Interest-bearing deposits         1,320,920         1,417,355         1,379,497         1,396,220         1,366,200           Federal Home Loan Bank advances         10,000         10,000         10,000         10,000         10,000         75,000           Shareholders' equity         275,790         273,046         268,082         262,664         259,755           Total shares of common stock outstanding         18,307,802         18,361,922         18,343,403         17,561,476         17,765,122           Total shares of preferred stock outstanding         —         —         —											233,691
Loans held for sale         186,937         168,222         129,613         89,629         72,876           Total loans         1,446,835         1,420,102         1,411,768         1,440,617         1,467,786           Allowance for loan losses         (20,114)         (12,604)         (12,828)         (12,903)         (12,955)           Total assets         2,072,585         2,037,201         2,033,911         2,018,421         2,035,811           Non-interest-bearing deposits         442,789         312,096         352,266         326,550         312,595           Interest-bearing deposits         1,320,920         1,417,355         1,379,497         1,396,220         1,366,205           Federal Home Loan Bank advances         10,000         10,000         10,000         10,000         10,000         10,000         75,000           Total liabilities         1,796,795         1,764,155         1,765,829         1,755,757         1,776,065           Shareholders' equity         275,790         273,046         268,082         262,664         259,755           Total shares of common stock outstanding         18,307,802         18,361,922         18,343,403         17,561,126           Total shares of preferred stock outstanding         -         -         -<											3,727
Total loans         1,446,835         1,420,102         1,411,768         1,440,617         1,467,786           Allowance for loan losses         (20,114)         (12,604)         (12,828)         (12,903)         (12,955)           Total assets         2,072,585         2,037,201         2,033,911         2,018,421         2,035,811           Non-interest-bearing deposits         442,789         312,096         352,266         326,550         312,596           Interest-bearing deposits         1,320,920         1,417,355         1,379,497         1,396,220         1,366,205           Federal Home Loan Bank advances         10,000         10,000         10,000         10,000         10,000         75,000           Total liabilities         1,796,795         1,764,155         1,765,829         1,755,757         1,776,060           Shareholders' equity         \$ 275,790         \$ 273,046         \$ 268,082         \$ 262,664         \$ 259,752           Total shares of common stock outstanding         — — — — — 878,048         878,048           Book value per share of common stock         \$ 15.06         \$ 14.87         \$ 14.61         \$ 14.44         \$ 14.15           Tangible book value per share of common stock         \$ 9.89         \$ 16.65         \$ 16.58         \$ 15.15 <td>Loans held for sale</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>72,870</td>	Loans held for sale										72,870
Allowance for loan losses         (20,114)         (12,604)         (12,828)         (12,903)         (12,955)           Total assets         2,072,585         2,037,201         2,033,911         2,018,421         2,035,811           Non-interest-bearing deposits         442,789         312,096         352,266         326,550         312,597           Interest-bearing deposits         1,320,920         1,417,355         1,379,497         1,396,220         1,366,203           Federal Home Loan Bank advances         10,000         10,000         10,000         10,000         10,000         10,000         75,000           Total liabilities         1,796,795         1,764,155         1,765,829         1,755,757         1,776,060           Shareholders' equity         275,790         273,046         268,082         262,664         259,755           Total shares of common stock outstanding         18,307,802         18,361,922         18,343,403         17,561,476         17,765,124           Total shares of preferred stock outstanding         —         —         —         878,048         878,048           Book value per share of common stock         \$15.06         \$14.87         \$14.61         \$14.44         \$14.51           Total risk based capital         13.64%	Total loans										1,467,786
Total assets         2,072,585         2,037,201         2,033,911         2,018,421         2,035,811           Non-interest-bearing deposits         442,789         312,096         352,266         326,550         312,597           Interest-bearing deposits         1,320,920         1,417,355         1,379,497         1,396,220         1,366,203           Federal Home Loan Bank advances         10,000         10,000         10,000         10,000         10,000         10,000         75,000           Total liabilities         1,796,795         1,764,155         1,765,829         1,755,757         1,776,060           Shareholders' equity         \$275,790         \$273,046         \$268,082         \$262,664         \$259,751           Total shares of common stock outstanding         18,307,802         18,361,922         18,343,403         17,561,476         17,765,124           Total shares of preferred stock outstanding         —         —         —         878,048         878,048           Book value per share of common stock         \$15.06         \$14.87         \$14.61         \$14.44         \$11.55           Market value per share of common stock         \$9.89         \$16.65         \$16.58         \$15.15         \$14.44           Total risk based capital         13.64%	Allowance for loan losses										(12,959
Non-interest-bearing deposits         442,789         312,096         352,266         326,550         312,597           Interest-bearing deposits         1,320,920         1,417,355         1,379,497         1,396,220         1,366,203           Federal Home Loan Bank advances         10,000         10,000         10,000         10,000         10,000         10,000         75,000           Total liabilities         1,796,795         1,764,155         1,765,829         1,755,757         1,776,060           Shareholders' equity         \$275,790         \$273,046         \$268,082         \$262,664         \$259,755           Total shares of common stock outstanding         18,307,802         18,361,922         18,343,403         17,561,476         17,765,124           Total shares of preferred stock outstanding         —         —         —         878,048         878,048           Book value per share of common stock         \$15.06         \$14.87         \$14.61         \$14.44         \$14.15           Tangible book value per share of common stock         \$9.89         \$16.65         \$16.58         \$15.15         \$14.44           Aprital ratios:         Total risk based capital         \$13.64%         \$13.45%         \$13.46%         \$13.29%         \$12.64	Total assets										
Interest-bearing deposits         1,320,920         1,417,355         1,379,497         1,396,220         1,366,203           Federal Home Loan Bank advances         10,000         10,000         10,000         10,000         75,000           Total liabilities         1,796,795         1,764,155         1,765,829         1,755,757         1,776,060           Shareholders' equity         \$275,790         \$273,046         \$268,082         \$262,664         \$259,751           Total shares of common stock outstanding         18,307,802         18,361,922         18,343,403         17,561,476         17,765,124           Total shares of preferred stock outstanding         —         —         —         878,048         878,048           Book value per share of common stock         \$15.06         \$14.87         \$14.61         \$14.44         \$14.15           Tangible book value per share of common stock         \$9.89         \$16.65         \$16.58         \$15.15         \$14.44           Aprital ratios:         Total risk based capital         13.64%         13.45%         13.46%         13.29%         12.64           Tier 1 risk based capital         12.51%         12.73%         12.71%         12.53%         11.40           Common equity tier 1 capital         12.51%	Non-interest-bearing deposits										312,597
Federal Home Loan Bank advances         10,000         10,000         10,000         10,000         75,000           Total liabilities         1,796,795         1,764,155         1,765,829         1,755,757         1,776,060           Shareholders' equity         \$275,790         \$273,046         \$268,082         \$262,664         \$259,755           Total shares of common stock outstanding         18,307,802         18,361,922         18,343,403         17,561,476         17,765,124           Total shares of preferred stock outstanding         —         —         —         878,048         878,048           Book value per share of common stock         \$15.06         \$14.87         \$14.61         \$14.44         \$14.15           Tangible book value per share of common stock         \$9.89         \$16.65         \$16.58         \$15.15         \$14.44           Aprital ratios:         Total risk based capital         \$13.64%         \$13.45%         \$13.46%         \$13.29%         \$12.64           Tier 1 risk based capital         \$12.51%         \$12.73%         \$12.71%         \$12.53%         \$11.40           Common equity tier 1 capital         \$12.51%         \$12.73%         \$12.71%         \$12.01%         \$11.40	Interest-bearing deposits		1,320,920								
Total liabilities         1,796,795         1,764,155         1,765,829         1,755,757         1,776,060           Shareholders' equity         \$275,790         \$273,046         \$268,082         \$262,664         \$259,751           Total shares of common stock outstanding         18,307,802         18,361,922         18,343,403         17,561,476         17,765,124           Total shares of preferred stock outstanding         —         —         —         878,048         878,048           Book value per share of common stock         \$15.06         \$14.87         \$14.61         \$14.44         \$14.11           Tangible book value per share of common stock         \$9.89         \$16.65         \$16.58         \$15.15         \$14.44           Aprital ratios:         Total risk based capital         \$13.64%         \$13.45%         \$13.46%         \$13.29%         \$12.64           Tier 1 risk based capital         \$12.51%         \$12.73%         \$12.71%         \$12.53%         \$11.90           Common equity tier 1 capital         \$12.51%         \$12.73%         \$12.71%         \$12.01%         \$11.40											75,000
Shareholders' equity         \$ 275,790         \$ 273,046         \$ 268,082         \$ 262,664         \$ 259,755           Total shares of common stock outstanding         18,307,802         18,361,922         18,343,403         17,561,476         17,765,124           Total shares of preferred stock outstanding         —         —         —         878,048         878,048           Book value per share of common stock         \$ 15.06         \$ 14.87         \$ 14.61         \$ 14.44         \$ 14.15           Tangible book value per share of common stock *         12.66         12.45         12.17         11.87         11.55           Market value per share of common stock *         \$ 9.89         \$ 16.65         \$ 16.58         \$ 15.15         \$ 14.44           Capital ratios:         Total risk based capital         13.64%         13.45%         13.46%         13.29%         12.64           Tier 1 risk based capital         12.51%         12.73%         12.71%         12.53%         11.90           Common equity tier 1 capital         12.51%         12.73%         12.71%         12.01%         11.40											
Total shares of common stock outstanding         18,307,802         18,361,922         18,343,403         17,561,476         17,765,124           Total shares of preferred stock outstanding         —         —         —         878,048         878,048           Book value per share of common stock         \$ 15.06         \$ 14.87         \$ 14.61         \$ 14.44         \$ 14.11           Tangible book value per share of common stock         \$ 9.89         \$ 16.65         \$ 16.58         \$ 15.15         \$ 14.44           Aprital ratios:         Total risk based capital         13.64%         13.45%         13.46%         13.29%         12.64           Tier 1 risk based capital         12.51%         12.73%         12.71%         12.53%         11.40           Common equity tier 1 capital         12.51%         12.73%         12.71%         12.01%         11.40	Shareholders' equity			\$		\$		\$		\$	259,751
Total shares of preferred stock outstanding         —         —         —         878,048         878,048           Book value per share of common stock         \$ 15.06         \$ 14.87         \$ 14.61         \$ 14.44         \$ 14.11           Tangible book value per share of common stock *         \$ 12.66         \$ 12.45         \$ 12.17         \$ 11.87         \$ 11.55           Market value per share of common stock *         \$ 9.89         \$ 16.65         \$ 16.58         \$ 15.15         \$ 14.44           Capital ratios:         Total risk based capital         \$ 13.64%         \$ 13.45%         \$ 13.46%         \$ 13.29%         \$ 12.64           Tier 1 risk based capital         \$ 12.51%         \$ 12.73%         \$ 12.71%         \$ 12.53%         \$ 11.40           Common equity tier 1 capital         \$ 12.51%         \$ 12.73%         \$ 12.71%         \$ 12.01%         \$ 11.40		1									
Book value per share of common stock       \$ 15.06       \$ 14.87       \$ 14.61       \$ 14.44       \$ 14.11         Tangible book value per share of common stock *       12.66       12.45       12.17       11.87       11.55         Market value per share of common stock *       \$ 9.89       \$ 16.65       \$ 16.58       \$ 15.15       \$ 14.44         Capital ratios:       ***       <			· · —		· · · —						878,048
Tangible book value per share of common stock *       12.66       12.45       12.17       11.87       11.55         Market value per share of common stock *       \$ 9.89       \$ 16.65       \$ 16.58       \$ 15.15       \$ 14.44         Capital ratios:       Total risk based capital       13.64%       13.45%       13.46%       13.29%       12.64         Tier 1 risk based capital       12.51%       12.73%       12.71%       12.53%       11.90         Common equity tier 1 capital       12.51%       12.73%       12.71%       12.01%       11.40		\$	15.06	\$	14.87	\$		\$		\$	14.11
Market value per share of common stock       \$ 9.89       \$ 16.65       \$ 16.58       \$ 15.15       \$ 14.44         Capital ratios:       Total risk based capital       13.64%       13.45%       13.46%       13.29%       12.64         Tier 1 risk based capital       12.51%       12.73%       12.71%       12.53%       11.90         Common equity tier 1 capital       12.51%       12.73%       12.71%       12.01%       11.40		-									11.55
Capital ratios:       Total risk based capital     13.64%     13.45%     13.46%     13.29%     12.64       Tier 1 risk based capital     12.51%     12.73%     12.71%     12.53%     11.90       Common equity tier 1 capital     12.51%     12.73%     12.71%     12.01%     11.40		\$		\$		\$		\$		\$	14.44
Total risk based capital       13.64%       13.45%       13.46%       13.29%       12.64         Tier 1 risk based capital       12.51%       12.73%       12.71%       12.53%       11.90         Common equity tier 1 capital       12.51%       12.73%       12.71%       12.01%       11.40		-				-					
Tier 1 risk based capital       12.51%       12.73%       12.71%       12.53%       11.90         Common equity tier 1 capital       12.51%       12.73%       12.71%       12.01%       11.40			13.64%		13.45%		13.46%		13.29%		12.64
Common equity tier 1 capital 12.51% 12.73% 12.71% 12.01% 11.40											11.90
											11.40
											10.97

<sup>\*</sup>This metric is a non-GAAP financial measure. See Non-GAAP disclaimer in this earnings release and below for discussion and reconciliation to the most directly comparable GAAP financial measure.

This information is preliminary and based on CapStar data available at the time of this earnings release.

# CAPSTAR FINANCIAL HOLDINGS, INC. AND SUBSIDIARY Selected Quarterly Financial Data (unaudited) (dollars in thousands, except share data) First Quarter 2020 Earnings Release

	Five Quarter Comparison									
		3/31/20		12/31/19		9/30/19		6/30/19		3/31/19
Average Balance Sheet Data:										
Cash and cash equivalents	\$	114,272	\$	115,100	\$	129,114	\$		\$	83,689
Investment securities		226,537		225,265		211,460		228,283		251,631
Loans held for sale		180,401		140,731		101,835		91,585		66,880
Loans		1,421,256		1,431,027		1,445,755		1,469,210		1,461,696
Assets		2,059,306		2,030,231		2,005,950		2,004,207		1,988,478
Interest bearing deposits		1,411,666		1,388,496		1,370,988		1,364,211		1,299,205
Deposits		1,735,635		1,711,021		1,704,873		1,678,240		1,588,317
Federal Home Loan Bank advances		20,989		22,391		12,174		42,088		117,278
Liabilities		1,780,756		1,758,663		1,739,509		1,743,010		1,731,373
Shareholders' equity		278,550		271,568		266,441		261,197		257,105
Performance Ratios:										
Annualized return on average assets		0.26%		1.06%		1.28%		1.15%		0.97%
Annualized return on average equity		1.94%		7.92%		9.63%		8.84%		7.54%
Net interest margin (1)		3.50%		3.49%		3.66%		3.68%		3.75%
Annualized noninterest income to average assets		1.15%		1.12%		1.34%		1.41%		0.97%
Efficiency ratio		63.06%		68.46%		64.87%		68.51%		67.74%
Loans by Type (at period end):										
Commercial and industrial	\$	447,311	\$	394,408	\$	382,816	\$	404,745	\$	419,941
Commercial real estate - owner occupied		166,652		172,456		169,370		173,316		170,558
Commercial real estate - non-owner occupied		378,170		387,443		407,378		421,496		403,443
Construction and development		141,087		143,111		132,222		123,901		162,237
Consumer real estate		248,243		256,097		254,736		255,043		248,943
Consumer		27,739		28,426		29,059		26,704		26,241
Other		37,633		38,161		36,187		35,412		36,423
Asset Quality Data:		0,,000		20,202		20,201		20,102		0 0,120
Allowance for loan losses to total loans		1.39%		0.89%		0.91%		0.90%		0.88%
Allowance for loan losses to non-performing loans		550%		861%		754%		894%		757%
Nonaccrual loans	\$	3,658	\$	1,464	\$	1,701	\$		\$	1,712
Troubled debt restructurings	Ψ	1,306	Ψ	2,717	Ψ	2,725	Ψ	1,238	Ψ	1,255
Loans - over 89 days past due and accruing		399		38		551		302		- 1,233
Total non-performing loans		3,658		1,464		1,701		1,443		1,712
OREO and repossessed assets		147		1,044		914		914		1,038
Total non-performing assets		3,805		2,508		2,615		2,357		2,750
Non-performing loans to total loans		0.25%		0.10%		0.12%		0.10%		0.12%
Non-performing assets to total assets		0.23 %		0.10%		0.12 %		0.10%		0.12 %
		0.18%		0.12%		0.13%		0.12%		0.14%
Non-performing assets to total loans and OREO				0.18%						
Annualized net charge-offs (recoveries) to average loans	¢.	0.01%	φ		Φ	(0.01)%		0.02%	Ф	0.01%
Net charge-offs (recoveries)	\$	43	\$	224	\$	(50)	\$	56	\$	40
Interest Rates and Yields:		- 100/		<b>7.01</b> 0/		- 100/		- 4407		5 400
Loans		5.10%		5.24%		5.48%		5.44%		5.49%
Securities (1)		3.04%		3.00%		3.14%		3.22%		3.20%
Total interest-earning assets (1)		4.56%		4.67%		4.95%		5.00%		5.06%
Deposits		1.14%		1.27%		1.38%		1.39%		1.31%
Borrowings and repurchase agreements		2.77%		2.88%		4.12%		3.09%		2.85%
Total interest-bearing liabilities		1.43%		1.58%		1.74%		1.75%		1.71%
Other Information:										
Full-time equivalent employees		288		289		290		290		289

This information is preliminary and based on CapStar data available at the time of this earnings release.

<sup>(1)</sup> Net Interest Margin, Securities yields, and Total interest-earning asset yields are calculated on a tax-equivalent basis.

## CAPSTAR FINANCIAL HOLDINGS, INC. AND SUBSIDIARY

Analysis of Interest Income and Expense, Rates and Yields (unaudited) (dollars in thousands)

First Quarter 2020 Earnings Release

	For the Three Months Ended March 31,							
	2020							
	Average Outstanding Balance	Interest Income/ Expense	Average Yield/ Rate	Average Outstanding Balance	Interest Income/ Expense	Average Yield/ Rate		
Interest-Earning Assets								
Loans (1)	\$1,421,256	\$ 18,019	5.10%	\$1,461,696	\$ 19,787	5.49%		
Loans held for sale	180,401	1,719	3.83%	66,880	805	4.88%		
Securities:								
Taxable investment securities (2)	181,649	1,316	2.90%	195,191	1,533	3.14%		
Investment securities exempt from								
federal income tax (3)	44,888	321	3.62%	56,440	377	3.38%		
Total securities	226,537	1,637	3.04%	251,631	1,910	3.20%		
Cash balances in other banks	96,004	363	1.52%	66,335	446	2.73%		
Funds sold	71		2.80%	2,079	19	3.73%		
Total interest-earning assets	1,924,269	21,738	4.56%	1,848,621	22,967	5.06%		
Noninterest-earning assets	135,037			139,857				
Total assets	\$2,059,306			\$1,988,478				
Interest-Bearing Liabilities	<u> </u>			· ·				
Interest-bearing deposits:								
Interest-bearing transaction accounts	\$ 613,855	1,901	1.25%	\$ 434,151	1,594	1.49%		
Savings and money market deposits	500,117	1,551	1.25%	489,989	1,718	1.42%		
Time deposits	297,694	1,481	2.00%	375,065	1,813	1.96%		
Total interest-bearing deposits	1,411,666	4,933	1.41%	1,299,205	5,125	1.60%		
Borrowings and repurchase agreements	20,989	144	2.77%	119,301	840	2.85%		
Total interest-bearing liabilities	1,432,655	5,077	1.43%	1,418,506	5,965	1.71%		
Noninterest-bearing deposits	323,969			289,111				
Total funding sources	1,756,624			1,707,617				
Noninterest-bearing liabilities	24,132			23,756				
Shareholders' equity	278,550			257,105				
Total liabilities and shareholders' equity	\$2,059,306			\$1,988,478				
Net interest spread (4)	<del>-</del>		3.14%			3.36%		
Net interest income/margin (5)		\$ 16,661	3.50%		\$ 17,002	3.75%		
1 (0) miles and median (0)		Ψ 10,001	3.3370		# 17,002	3.7370		

For the Three Months Ended Morch 21

This information is preliminary and based on CapStar data available at the time of this earnings release.

<sup>(1)</sup> Average loan balances include nonaccrual loans. Interest income on loans includes amortization of deferred loan fees, net of deferred loan costs.

<sup>(2)</sup> Taxable investment securities include restricted equity securities.

<sup>(3)</sup> Yields on tax exempt securities, total securities, and total interest-earning assets are shown on a tax equivalent basis.

<sup>(4)</sup> Net interest spread is the average yield on total average interest-earning assets minus the average rate on total average interest-bearing liabilities.

<sup>(5)</sup> Net interest margin is annualized net interest income calculated on a tax equivalent basis divided by total average interest-earning assets for the period.

# CAPSTAR FINANCIAL HOLDINGS, INC. AND SUBSIDIARY Non-GAAP Financial Measures (unaudited) (dollars in thousands except share data) First Quarter 2020 Earnings Release

First Quarter 2020 Earnings Release	Three Months Ended							
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019			
Operating net income:								
Net income	\$ 1,346	\$ 5,421	\$ 6,466	\$ 5,756	\$ 4,780			
Add: merger related expenses	290	163	187	1,711	594			
Less: income tax impact of merger related expenses	(76)		(49)	(447)	(155)			
Operating net income	\$ 1,560	\$ 5,541	\$ 6,604	\$ 7,020	\$ 5,219			
Operating diluted net income per								
share of common stock:  Operating net income	\$ 1,560	\$ 5,541	\$ 6,604	\$ 7,020	\$ 5,219			
Weighted average shares - diluted	18,443,725	18,443,916	18,532,479	18,650,706	18,830,933			
Operating diluted net income	10,443,723	10,443,910	16,332,479	18,030,700	10,030,933			
per share of common stock	\$ 0.08	\$ 0.30	\$ 0.36	\$ 0.38	\$ 0.28			
Operating annualized return on average assets:								
Operating annualized return on average assets.	\$ 1,560	\$ 5,541	\$ 6,604	\$ 7,020	\$ 5,219			
Average assets	\$ 2,059,306	\$ 2,030,231	\$ 2,005,950	\$ 2,004,207	\$ 1,988,478			
Operating annualized return on	<u>Ψ 2,037,300</u>	Ψ 2,030,231	ψ 2,005,950	Ψ 2,001,207	ψ 1,500,170			
average assets	0.30	% 1.08%	1.31%	1.40%	1.06%			
Operating annualized return on								
average tangible equity:								
Average total shareholders' equity	\$ 278,550	\$ 271,568	\$ 266,441	\$ 261,197	\$ 257,105			
Less: average intangible assets	(44,253)		(45,050)	(45,456)	(45,890)			
Average tangible equity	234,297	226,922	221,391	215,741	211,215			
Operating net income	\$ 1,560	\$ 5,541	\$ 6,604	\$ 7,020	\$ 5,219			
Operating annualized return on average tangible equity	2.68	% 9.69%	11.83%	13.05%	10.02%			
Operating efficiency ratio:	\$ 14.211	\$ 15.266	\$ 15.531	\$ 16.470	\$ 14,725			
Total noninterest expense  Less: merger related expenses	\$ 14,211 (290)	+ -,	\$ 15,531 (187)	\$ 16,470 (1,711)	\$ 14,725 (594)			
Total operating noninterest expense	13,921	15,103	15,344	14,759	14,131			
Net interest income	16,661	16,581	17,156	17,008	17,002			
Total noninterest income	5,874	5,719	6,788	7,032	4,735			
Total revenues	\$ 22,535	\$ 22,300	\$ 23,944	\$ 24,040	\$ 21,737			
Operating efficiency ratio:	61.78		64.08%	61.39%	65.01%			
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019			
Tangible Equity:		31, 2017	30, 2017	2017	201)			
Total shareholders' equity	\$ 275,790	\$ 273,046	\$ 268,082	\$ 262,664	\$ 259,751			
Less: intangible assets	(44,008)		(44,790)	(45,199)	(45,618)			
Tangible equity	\$ 231,782	\$ 228,653	\$ 223,292	\$ 217,465	\$ 214,133			
Tangible Common Equity:								
Tangible equity	\$ 231,782	\$ 228,653	\$ 223,292	\$ 217,465	\$ 214,133			
Less: preferred equity		<u> </u>		(9,000)	(9,000)			
Tangible common equity	\$ 231,782	\$ 228,653	\$ 223,292	\$ 208,465	\$ 205,133			
Tangible Book Value per Share of Common Stock:								
Tangible common equity	\$ 231,782	\$ 228,653	\$ 223,292	\$ 208,465	\$ 205,133			
Total shares of common stock outstanding	18,307,802	18,361,922	18,343,403	17,561,476	17,765,124			
Tangible book value per share of common stock	\$ 12.66	\$ 12.45	\$ 12.17	\$ 11.87	\$ 11.55			
		<del></del>						