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

FORM 8-K

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

Date of Report (Date of earliest event reported): May 10, 2017

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

Tennessee
(State or other jurisdiction of
incorporation)

001-37886
(Commission File Number)

81-1527911
(IRS Employer Identification
No.)

1201 Demonbreun Street
Suite 700
Nashville, Tennessee
(Address of principal executive
offices)

37203
(Zip Code)

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

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Section 7 – Regulation FD

Item 7.01. Regulation FD Disclosure.

Representatives of CapStar Financial Holdings, Inc. will be conducting meetings with investors during May 2017. A copy of the presentation that will be used in the investor meetings is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit 99.1 Presentation by CapStar Financial Holdings, Inc.

SIGNATURES

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

CAPSTAR FINANCIAL HOLDINGS, INC.

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

Date: May 10, 2017

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Presentation by CapStar Financial Holdings, Inc.



CAPSTAR™

FINANCIAL HOLDINGS, INC.

Nasdaq: CSTR

**Investor Presentation
May 2017**

**Claire W. Tucker, President and Chief Executive Officer
Rob Anderson, Chief Financial Officer and Chief Administrative Officer**

Disclaimer

Terminology

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

Contents of Presentation

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

Market Data

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

Non-GAAP Disclaimer

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

Safe Harbor Statements

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

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

The foregoing factors should not be construed as exhaustive and should be read in conjunction with those factors that are detailed from time to time in the Company’s periodic and current reports filed with the Securities and Exchange Commission, including those factors included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016 under the heading “Item 1A. Risk Factors” and in the Company’s Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from our forward-looking statements. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date of this presentation, and we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. New risks and uncertainties may emerge from time to time, and it is not possible for us to predict their occurrence or how they will affect us.

Overview of CapStar Financial Holdings, Inc.



- ❖ Chartered in 2008 and led by an **experienced management team** with strong ties to the local community
- ❖ **Growth** since inception **organically** and through acquisitions
- ❖ Client-centric mentality **committed** to serving local small and medium sized businesses and high net worth individuals in the Middle Tennessee market
- ❖ **Tailored** client solutions by remaining **nimble** in our footprint
- ❖ Focused on **Soundness, Profitability, and Growth**
- ❖ We have inside ownership of 25.3% and institutional ownership of 26.5% and are focused on creating **Shareholder value**

Balance Sheet (EOP Q1-2017)

Total Assets	\$ 1,382
Total Loans	1,039
Deposits	1,158
Tangible Equity*	134

Growth Since 2011

Asset CAGR	13.5 %
Loan CAGR	18.3 %
Deposit CAGR	12.6 %

2016 Profitability

ROAA	0.72%
PTPP ROAA*	1.30%

Capital (EOP Q1-2017)

Tang. Equity / Assets*	9.74 %
Tier 1 Leverage Ratio	10.37 %

Asset Quality (EOP Q1-2017)

NPAs / Loans + OREO	1.36 %
NCOs / Avg Loans (YTD)	0.43 %
Reserves / Loans	1.39 %

Dollars in millions

Data as of or for the three months ended 3/31/17

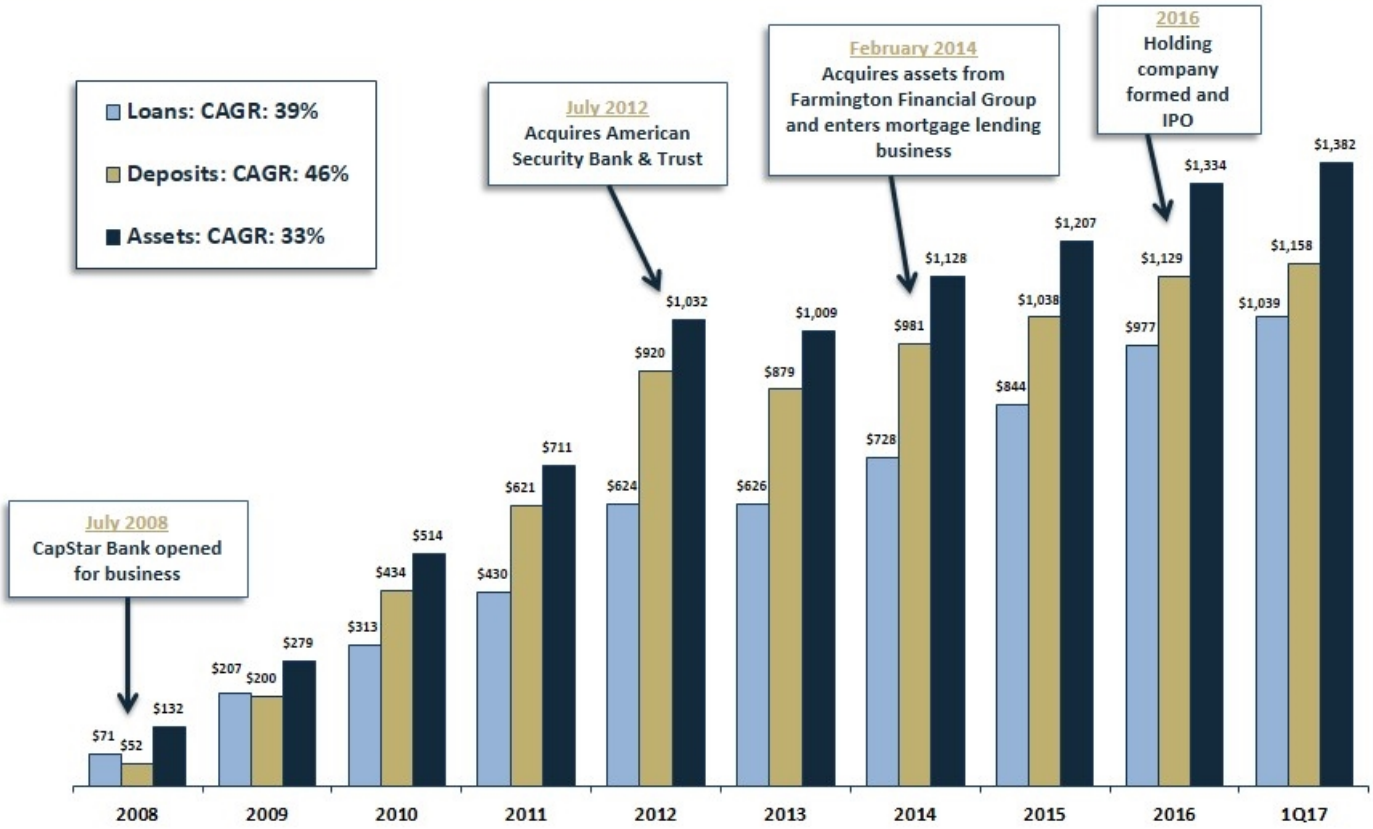
Note: loan data inclusive of loans held for sale

(1) Excludes Farmington mortgage origination offices

* Reconciliation provided in non-GAAP tables



Our Growth has Predominantly Been Organic



Dollars in millions
 Data as of 12/31 for each respective year through 2016; 2017 data as of 3/31/17
 Note: loans inclusive of loans held for sale

Nashville Deposit Market Share

2016 - Top 15 Nashville, TN MSA Deposit Market Share

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

CapStar MSA Deposit Market Share



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

Franchise Highlights

- ❖ Management Team with experience operating larger banking institutions with close, long standing relationships in Middle Tennessee
- ❖ Opportunities for continued Market Share Takeaway in a high growth, metro market
- ❖ Demonstrated ability to Grow Earnings
- ❖ Demonstrated ability to effectively Integrate Acquisitions
- ❖ Management and Board Interests Aligned with investors to drive shareholder returns

Our Culture

- Experienced bankers with extensive industry knowledge
- Product expertise in a range of business sectors
- Strong credit quality
- Tailored client solutions
- Funding focus on core deposits
- Organic and acquisitive growth

Experienced Management Team

Claire W. Tucker

*President and Chief Executive Officer
CapStar Financial Holdings, Inc.*



- Played an instrumental role in founding CapStar
- Over 40 years of banking experience, including former Senior Executive Vice President in charge of commercial banking for AmSouth Bancorporation
- Appointed by the Federal Reserve Bank for the Sixth District to serve as representative to the community depository institutions advisory council

Dan W. Hogan

*Chief Executive Officer
CapStar Bank*



- Served as Chief Operating Officer prior to becoming Chief Executive Officer of the Bank
- 30-year banking veteran in Tennessee
- Served as Regional President and Affiliate Chairman for Fifth Third Bank
- Began career in 1985 with National Bank of Commerce in Memphis, TN

Rob Anderson

*Chief Financial Officer
Chief Administrative Officer
CapStar Financial Holdings, Inc. &
CapStar Bank*



- Brings more than two decades of leadership experience in the financial sector
- Held multiple finance roles at Bank of America Corporation, including serving as CFO of the Business Banking segment
- CFO for Capital One's Commercial Bank
- Mr. Anderson is a CPA (inactive)

Christopher Tietz

*Chief Credit Officer
CapStar Bank*



- Joined CapStar in March of 2016
- Over 31 years of banking experience, rising to Executive Vice President and Senior Credit Officer for First American's West Tennessee Region
- Subsequently, served in various Chief Credit Officer roles at banks in the Midwest and notably at FSG bank in Chattanooga, Tennessee

Our Board of Directors

Dennis C. Bottorff
Chairman of the Board

- Nearly five decades of banking experience and has served in leadership roles at numerous banks including CEO of First American National Bank and Chairman at AmSouth Bancorporation

Claire W. Tucker
President and Chief Executive Officer

- Played an instrumental role in founding CapStar
- Started her banking career in 1975 at First American National Bank

Julie D. Frist
Vice Chairman of the Board

- Former employee of Goldman Sachs and the private equity firm Bruckmann, Rosser, Sherrill & Co.
- Graduate of Yale University and Harvard Business School

Dale W. Polley
Vice Chairman of the Board

- Former vice chairman of First American Corporation and First American National Bank
- Serves as a director of HealthStream, Inc.; former director of O'Charley's Inc. and the Nashville Branch of the Federal Reserve

Thomas Flynn

- Director of Flynn Enterprises, LLC; member of the Kentucky Bar Association
- Earned degrees from Vanderbilt University and Vanderbilt Law School

Louis A. Green III

- General Partner of Green & Little, L.P., a real estate investment company in Gallatin, Tennessee
- Attended the University of Tennessee; CapStar Advisory Board Chair for Sumner County

L. Earl Bentz

- President and CEO of Triton Boats
- Attended Clemson University and Vanderbilt University

Stephen B. Smith

- Chairman of the board of Haurly & Smith Contractors
- Attended Middle Tennessee State University, where he was an accomplished baseball player

Richard E. Thornburgh

- Vice Chairman of Corsair Capital LLC
- Graduate of the University of Cincinnati and earned an MBA from Harvard Business School

James S. Turner, Jr.

- Managing director of Marketstreet Enterprises and previously served as director of development
- Graduate of Vanderbilt University and Vanderbilt Law School

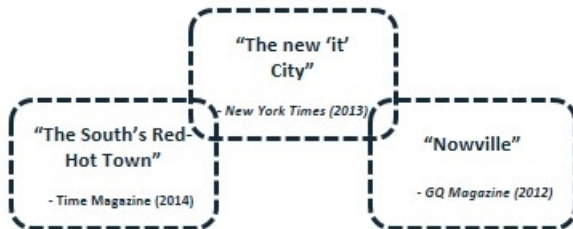
Toby S. Wilt

- Expertise in finance, compensation, asset policy, audit and marketing and a CPA (non-practicing)
- Graduate of Vanderbilt University

Attractive Market of Operation: Nashville MSA

Nashville Highlights

- ❖ 8th largest Southeast metropolitan area with a population exceeding 1.8 million as of January 2016
- ❖ Population grew approximately 40% from 2000 through 2015
- ❖ Nashville MSA ranked 4th in “The Best Big Cities for Jobs 2016”
- ❖ 10th on Forbes’ list of best places for business and careers (2014)
- ❖ Ranked 3rd highest city in the United States for gross metropolitan product (2014) ⁽¹⁾



Notable Companies Operating In and Around Nashville

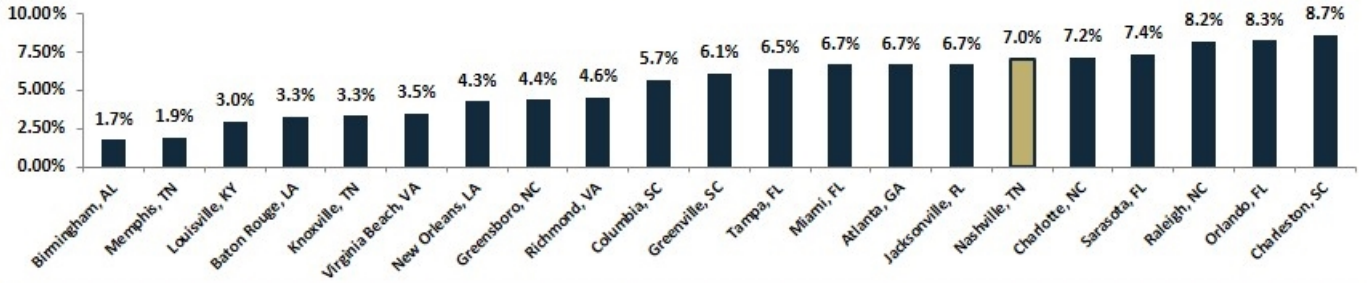


Sources: US Census Bureau, Nashville Chamber of Commerce, Forbes, Fortune, The Tennessean, United States Conference of Mayors
 (1) Gross Metropolitan Product measures the value of all goods and services produced within the area

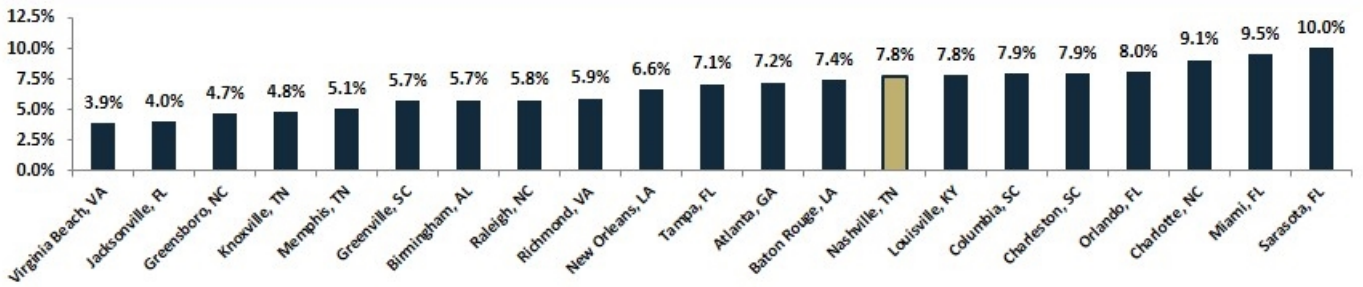
Nashville: One of the Southeast's Fastest Growing Markets

❖ The population of the Nashville region is expected to grow to approximately 2.6 million by 2035

2017 - 2021 Projected Population Growth (%)



2017 - 2021 Projected Household Income Growth (%)

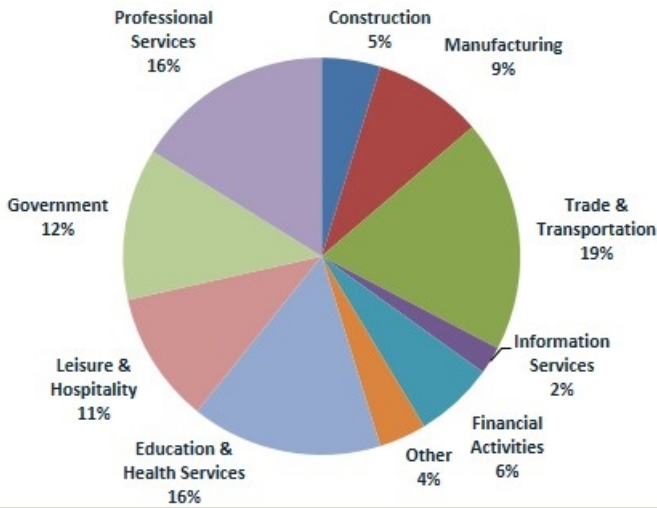


Source: SNL Financial; www.nashvillempo.org
Includes all MSAs located in AL, AR, FL, GA, KY, LA, MS, NC, SC, TN, VA, and WV with 2017 population greater than 750,000

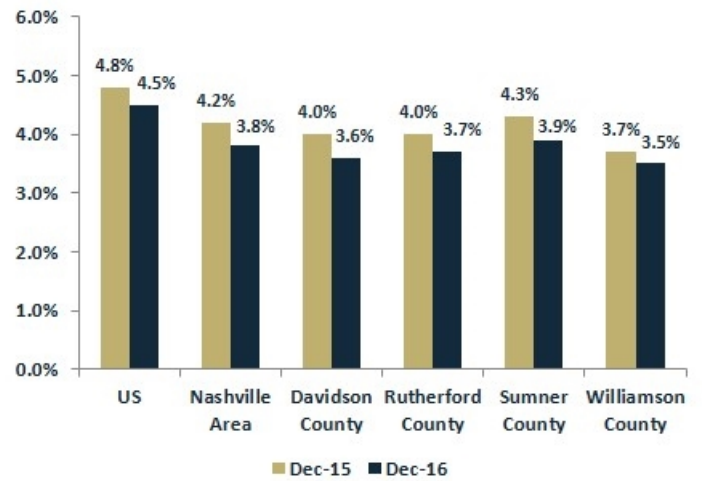
Nashville: Regional, National, and Global Business Hub

- ❖ From June 2015 to June 2016, Nashville had the fifth highest job growth rate among Southeast metro areas with greater than one million residents at 3.1%
- ❖ 50% of the U.S. population lives within 650 miles of Nashville
- ❖ Nashville is home to a diverse set of industries and had an unemployment rate of 3.8% as of December 2016, below the national average of 4.5%

Nashville Area Employment by Sector



Unemployment Rate (%)



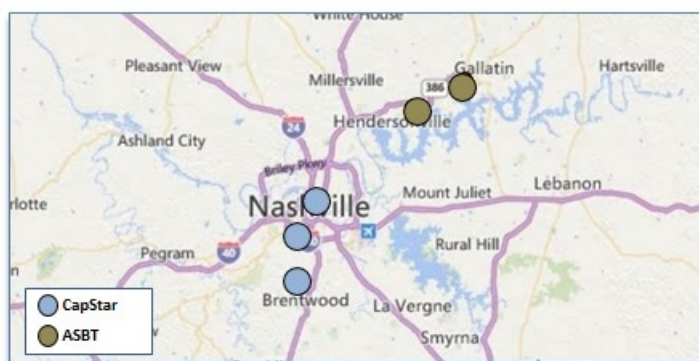
Source: Bureau of Labor Statistics as of 12/31/16; SNL, Nashville Area Chamber of Commerce

Acquisition History and Potential Future Nashville Opportunities

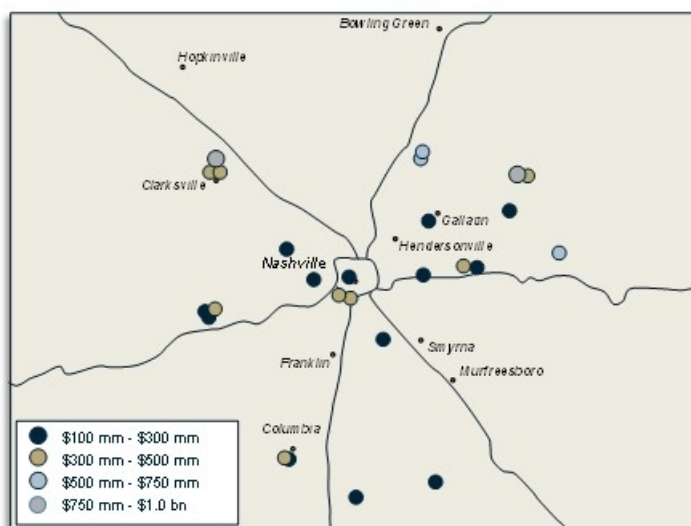
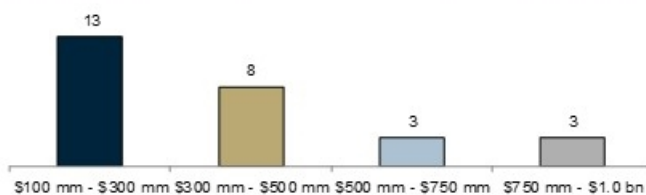
Acquisition of American Security Bank and Trust Company

- ❖ Announced 2/9/2012; Completed 7/31/2012
- ❖ **Deal Value:** \$15.4 million; 100% stock transaction
- ❖ **Benefits:** Geographic expansion, including entrance into Sumner County, financially attractive and retention of top talent
 - Entrance into Sumner County
- ❖ Similar culture, infrastructure and operations

Branch Footprint Following Acquisition



Potential Future Opportunities ⁽¹⁾



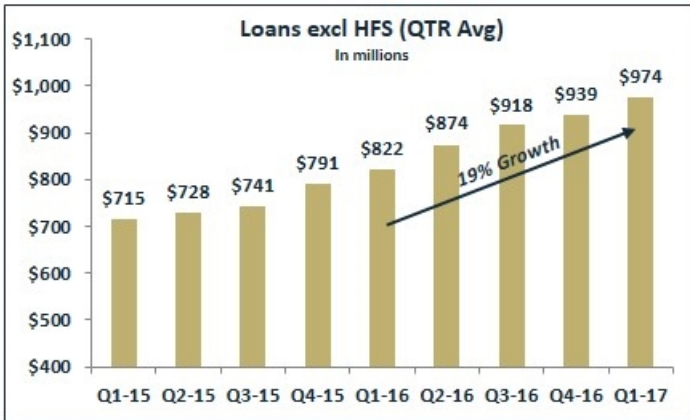
Source: SNL Financial

(1) Includes all banks and thrifts with total assets between \$100 million and \$1.0 billion headquartered within a 50 mile radius of Nashville, TN

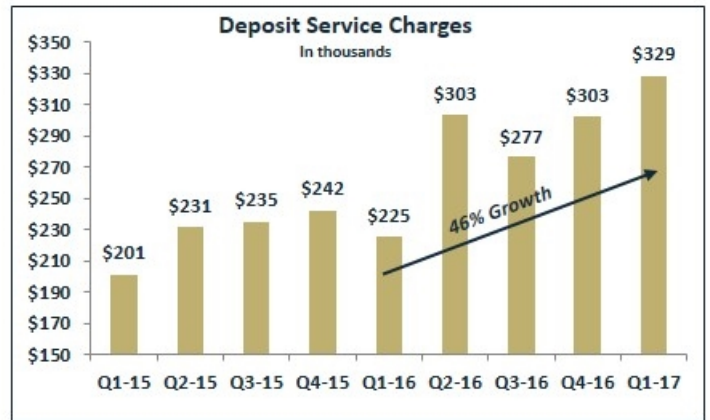
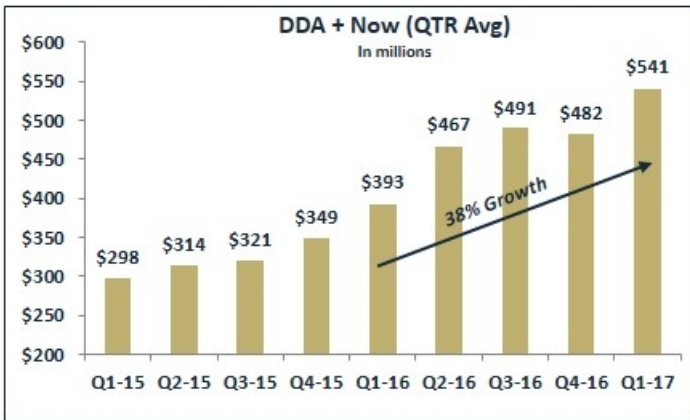
1Q17 Summary Results/Financial Highlights



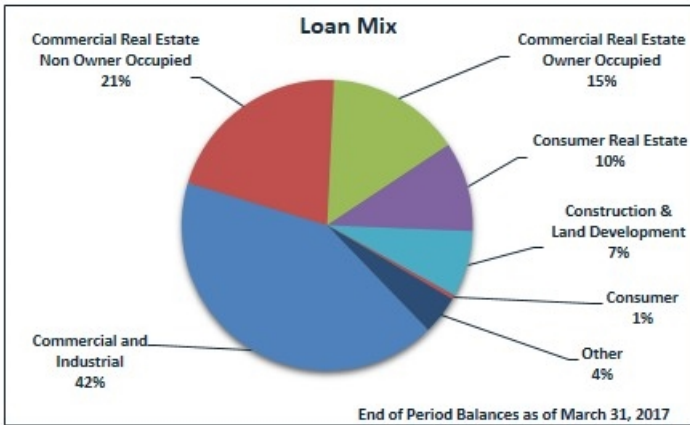
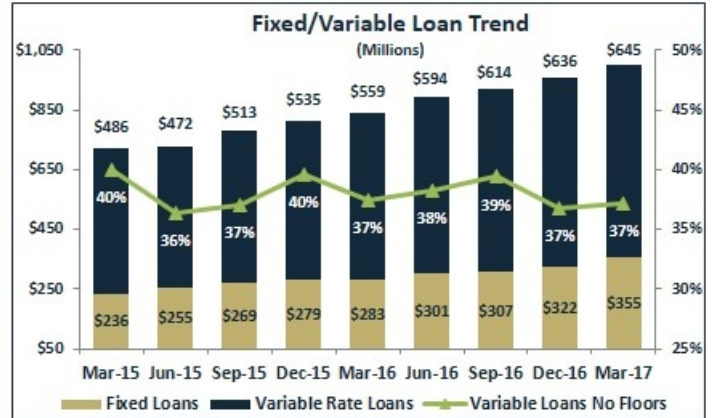
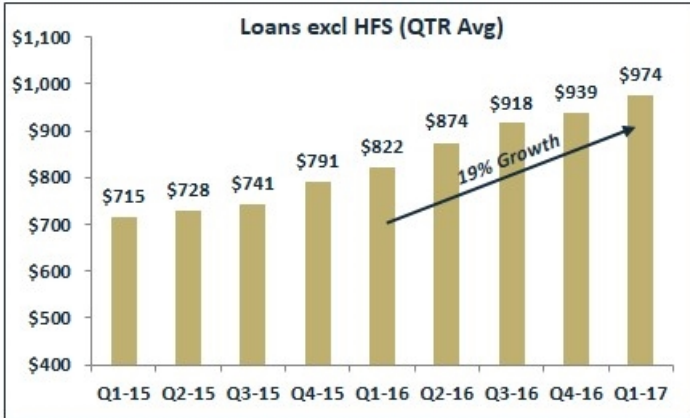
We continue to build full relationships



- Our profitability roadmap is dependent on expanding existing relationships and acquiring new relationships.
- With loans typically leading the relationship, a full relationship typically consists of the following:
 - Operating account (DDA or NOW)
 - Treasury Management
 - Loan
- We continue to build share of wallet with current customer base.



Loan Growth



\$ in millions

	% Change Vs.		
	Q1-17	Q4-16	Q1-16
Balance Sheet (Quarter Averages)			
C&I - Healthcare	\$ 191	11%	15%
C&I - All Other	216	34%	9%
Commercial and Industrial	407	23%	11%
Commercial Real Estate	317	37%	23%
Consumer Real Estate	97	-8%	5%
Construction and Land Development	97	9%	82%
Consumer	5	-128%	-37%
Other	52	-73%	12%
Total	\$ 975	15%	18%
Less Net Unearned Income	(1)	-113%	-40%
Total Loans (Net of Unearned Income)	\$ 974	15%	19%

Loan Participations

Loan Participations Bought \$ and % of Gross Loans (EOP)



Loan Participations by Line of Business

	\$	%
Healthcare	\$139.2	44%
C&I	126.8	40%
CRE	45.2	14%
Correspondent	4.6	1%
Total Loans	\$315.7	100%

Loan Participations by Source

	\$	%
SNC	\$106.6	34%
Club	209.1	66%
Total Loan Participations	\$315.7	100%

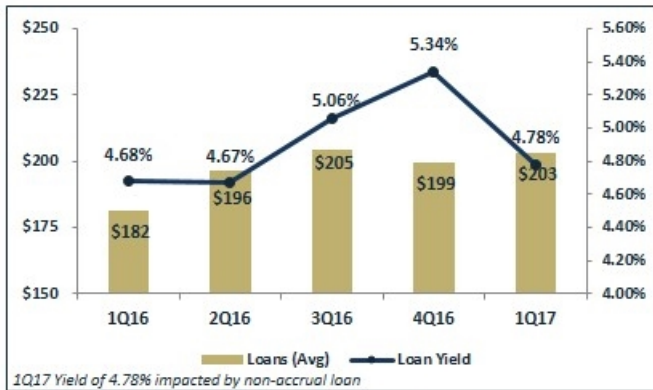
Loan Participations – Fixed/Variable

	\$	%
Fixed	\$ 20.1	6%
Variable	295.7	94%
Total Loan Participations	\$315.7	100%

\$ In millions

Healthcare

Healthcare - Loan Balances (Avg) and Yields¹



Healthcare Loan Portfolio Stats

Loan Balance (EOP) at 3/31/17	\$201.5
Participations Bought	\$139.2
% Participations Bought	69%
# of Borrowers	45
Average Loan Size per borrower	\$4.5
% Fixed	9.5%
% Variable	90.5%

Healthcare LOB Loan Composition by NAICS Code

	\$	%
Freestanding Ambulatory Surgical & ER Centers	\$ 38.9	19%
Residential Mental Retardation Facilities	16.7	8%
Surgical & Medical Instrument Manufacturing	16.4	8%
Residential Substance Abuse & Mental Health Facilities	15.2	8%
Misc Ambulatory Health Care Services	10.1	5%
Kidney Dialysis Centers	9.8	5%
All Other Outpatient Care Centers	9.7	5%
All Other (≤ 4% of portfolio)	84.7	42%
Total	\$201.5	100%

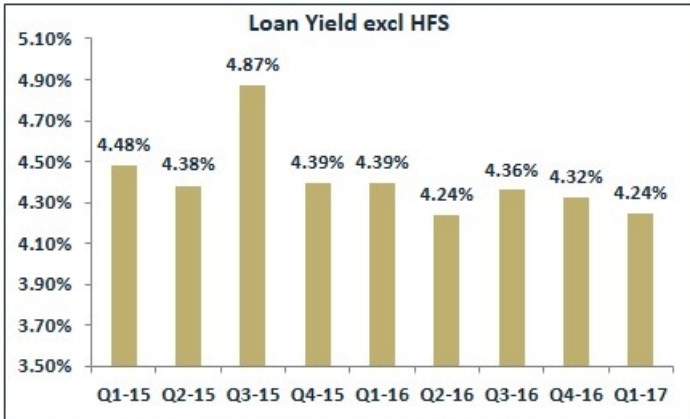
Healthcare Loan Portfolio Stats

	\$ EOP	% of portfolio
SNC	\$ 73.4	36%
Club	65.7	33%
Direct/Lead Bank	62.3	31%
Total Loans	\$201.5	100%

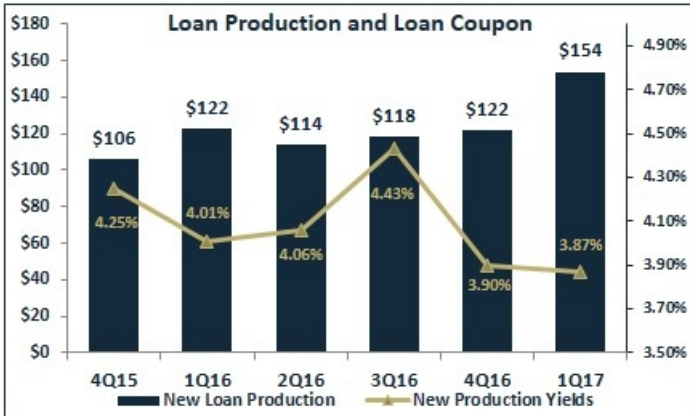
\$ In millions

¹Loan Yield includes impact of interest, loan fee and cost amortization

Loan Yields

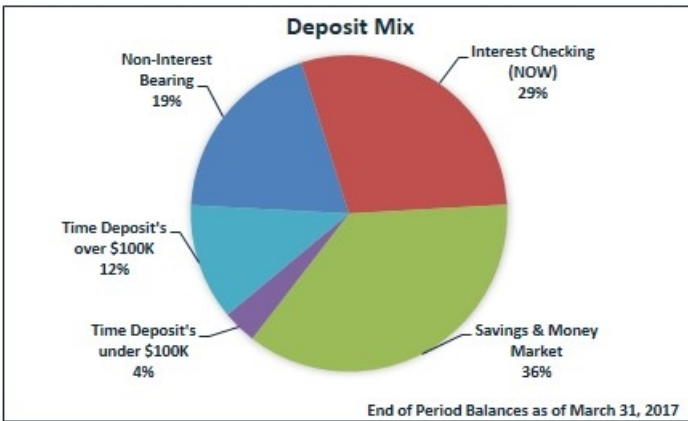
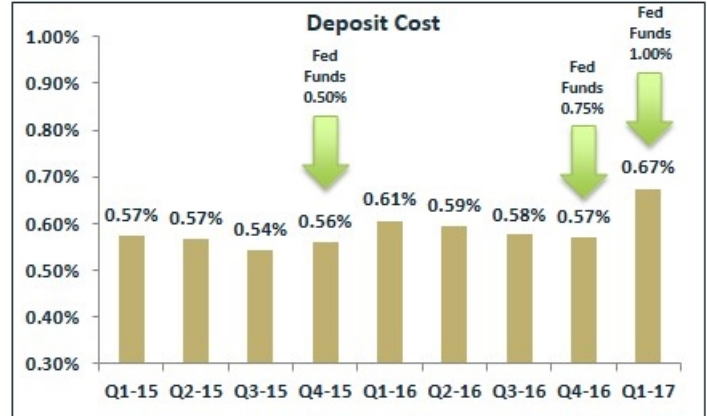
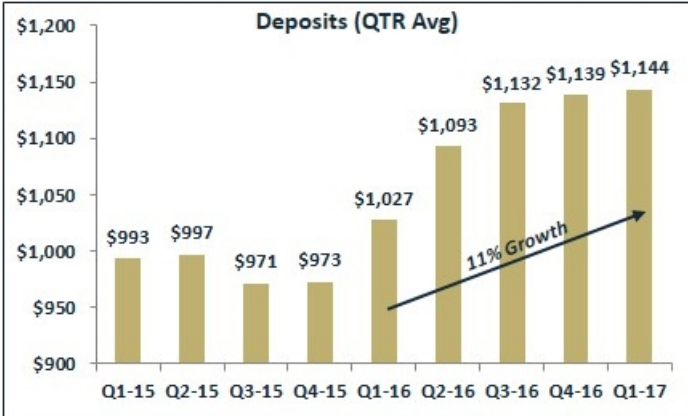


- Absent the loans placed on non-accrual, our loan yield would have increased to 4.33%.
- Our variable rate loans are repricing as expected.
- Lower loan fees and yields on new loan production negatively impacted our overall portfolio yield for the quarter.



4Q16 (Avg)	4.32%
New Loan Production	-0.02%
Loans Paid Off	0.02%
Loans to Non-Accrual	-0.09%
Lower Loan Fees	-0.07%
Repricing of Remaining Portfolio	0.08%
1Q17 (Avg)	4.24%

Deposit Growth and Costs

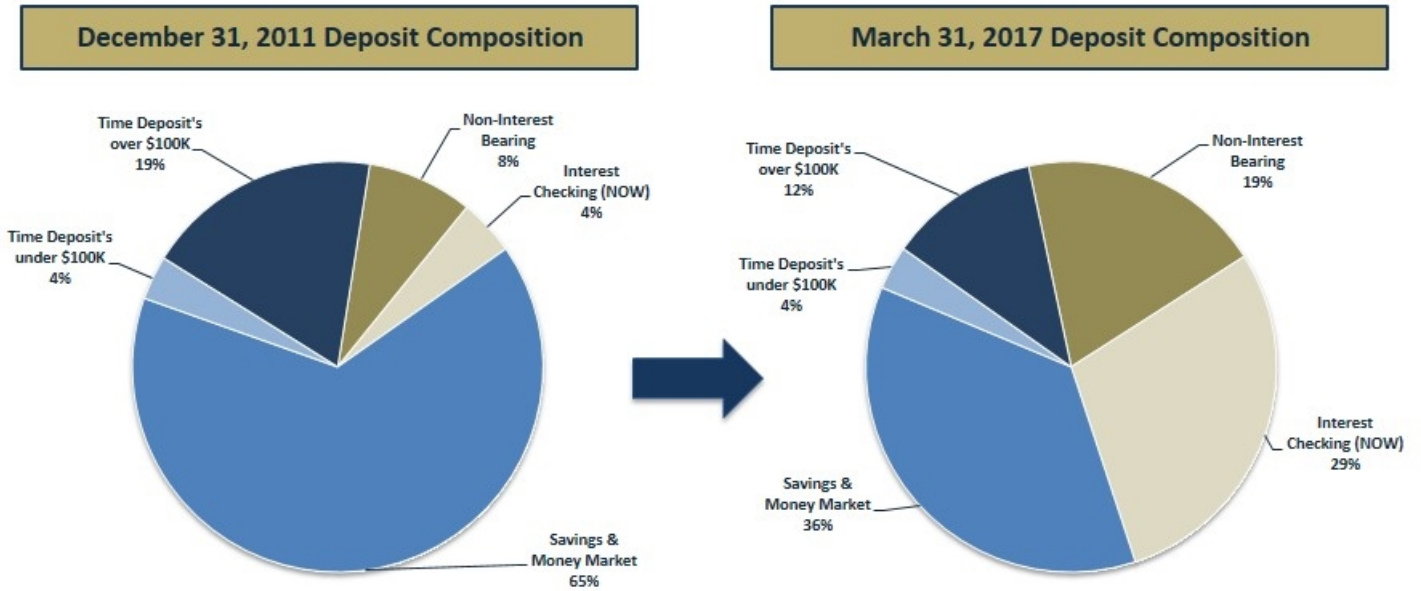


\$ in millions	% Change Vs.		
	Q1-17	Q4-16*	Q1-16
Balance Sheet (Quarter Averages)			
Non-Interest Bearing	\$ 210	30%	11%
Interest Checking (NOW)	331	62%	63%
Savings & Money Market	434	-19%	-3%
Time Deposit's under \$100K	41	-17%	-11%
Time Deposit's over \$100K	128	-79%	-11%
Deposits	\$ 1,144	2%	11%

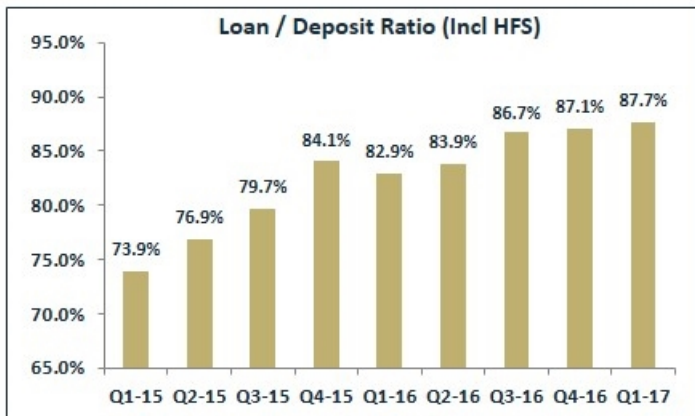
* Annualized % Change from Q4-16 to Q1-17

Deposit Composition

- ❖ Since 2011, demand deposits and NOW accounts have grown from 13% of the total deposit portfolio to 48%

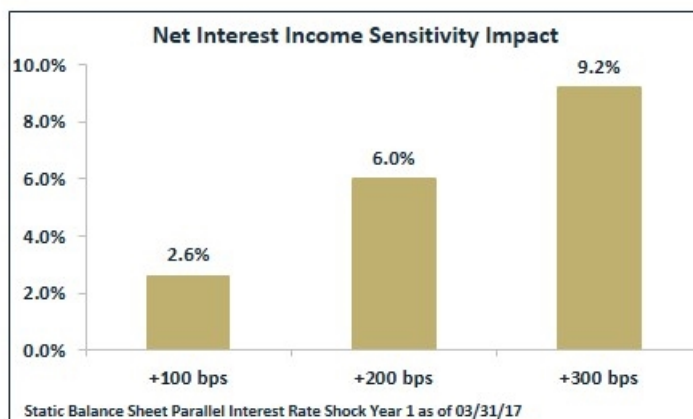


Net Interest Margin and Interest Rate Sensitivity



- Absent the loans placed on non-accrual, our NIM would have increased to 3.19%.
- Our net interest margin was impacted by yields on new production, runoff and loans placed on non-accrual status.
- We continue to improve our balance sheet mix and loan/deposit ratio.

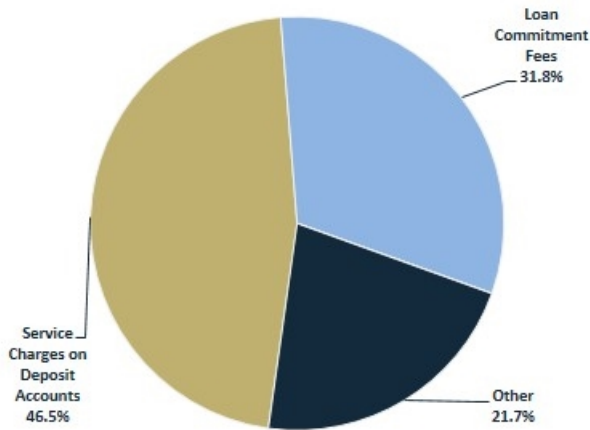
Net Interest Margin	
4Q16 (Avg)	3.17%
Loan placed on non-accrual status	-0.07%
Loan Volumes, Coupon	0.10%
Lower loan fees	-0.02%
Increased deposit costs	-0.09%
Other (Lower Cash, Higher Yield on Investment Securities)	0.03%
1Q17 (Avg)	3.12%



Non-Interest Income

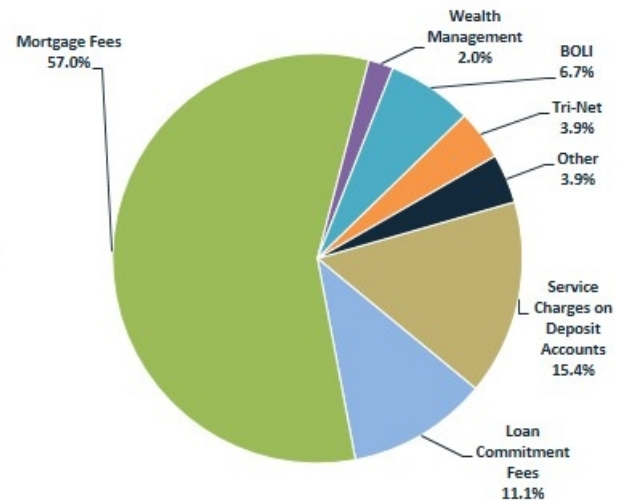
- ❖ Since 2011, we have expanded our fee income sources with the addition of Mortgage, Wealth, Tri-Net and BOLI

2011 Non-Interest Income Composition



NIR/Avg Assets = 0.14%

Q1-2017 Non-Interest Income Composition



NIR/Avg Assets = 0.65%

Data as of or for the twelve months ended 12/31/11 and as of 3/31/17

Non-Interest Income

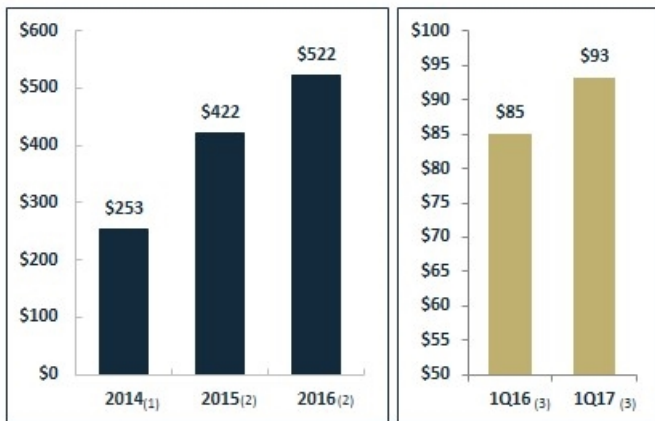
(Dollars in thousands)	Three Months Ended				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Non Interest Income					
Service Charges on Deposit Accounts	\$ 329	\$ 303	\$ 277	\$ 303	\$ 225
Loan Commitment Fees	236	217	329	143	430
Mortgage Fees	1,216	2,033	2,339	1,655	1,347
Wealth Management	42	30	25	27	31
Gain on OREO	-	-	-	85	73
BOLI	144	150	151	150	150
Net Gain (Loss) on Sale of Securities	(6)	-	(4)	86	39
Net Gain (Loss) on Sale of Loans	82	125	-	9	-
Other	91	95	74	111	76
Total Non Interest Income	\$ 2,134	\$ 2,954	\$ 3,191	\$ 2,568	\$ 2,371
<i>Average Assets</i>	<i>\$ 1,340,237</i>	<i>\$ 1,324,620</i>	<i>\$ 1,296,871</i>	<i>\$ 1,247,077</i>	<i>\$ 1,181,428</i>
<i>Non Interest Income / Average Assets</i>	<i>0.65%</i>	<i>0.89%</i>	<i>0.98%</i>	<i>0.83%</i>	<i>0.81%</i>

- Service charges have steadily increased as we gain share of wallet with our client base.
- Loan fees are in line with expectations but lower than 1Q16 due to several one-time fees.
- Mortgage fees seasonally lower than last quarter.
- TriNet (net gain on sale of loans) producing meaningful fee income.

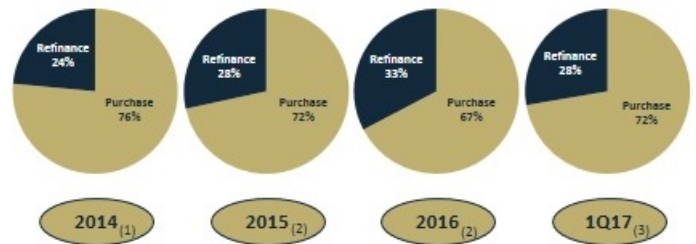
Mortgage Operations

- ❖ The acquisition of Farmington Financial in February 2014 added mortgage origination services to CapStar's product offering and enhanced fee income generation.
- ❖ Farmington's strategy is to originate conforming loans which are sold into the secondary mortgage market.
- ❖ As of March 2017, approximately 72% of originated loans represent new loan originations as opposed to refinancings.

Total Production (\$mm)



Purchase vs. Refinance (% of Total Production)



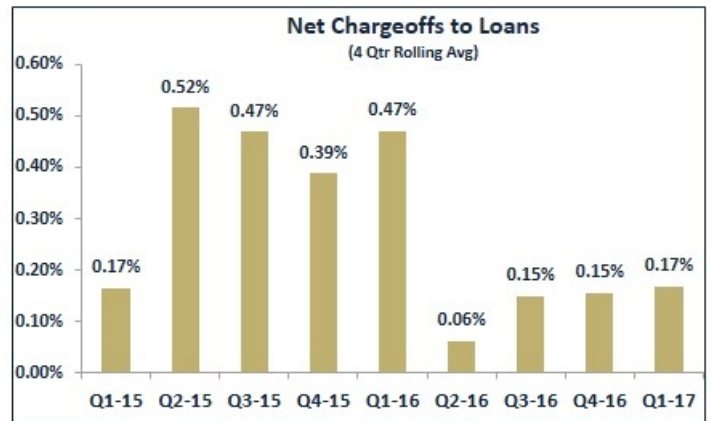
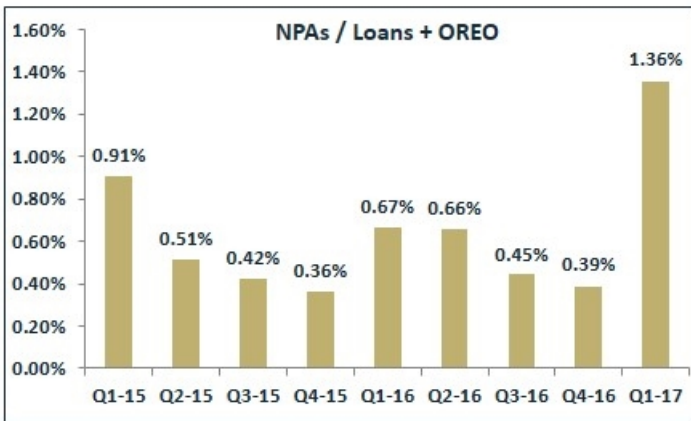
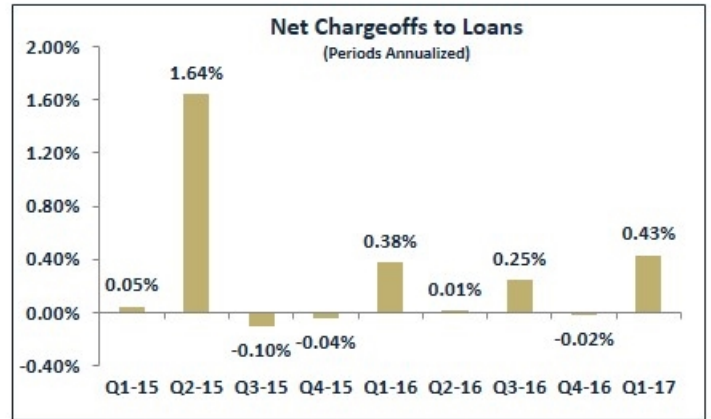
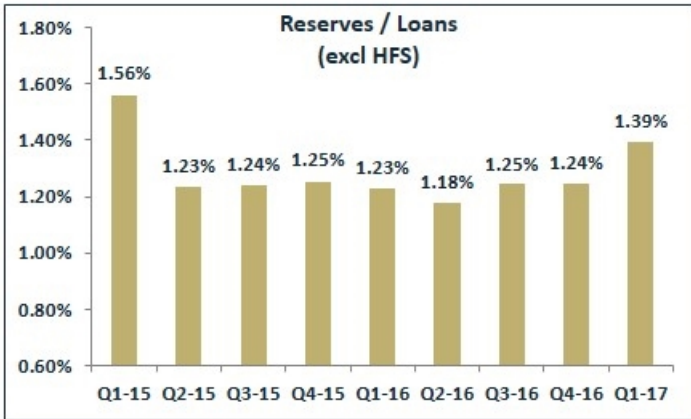
1) Acquisition of Farmington Financial closed 2/3/14
 2) Data as of or for the twelve months ended 12/31 each respective year
 3) Data as of or for the three months ended 3/31 each respective year

Non-Interest Expense

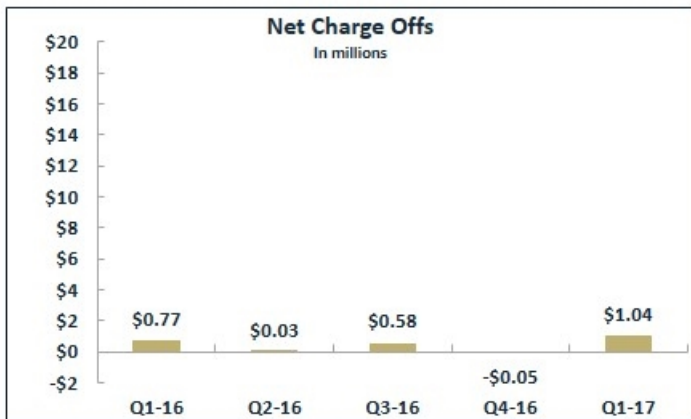
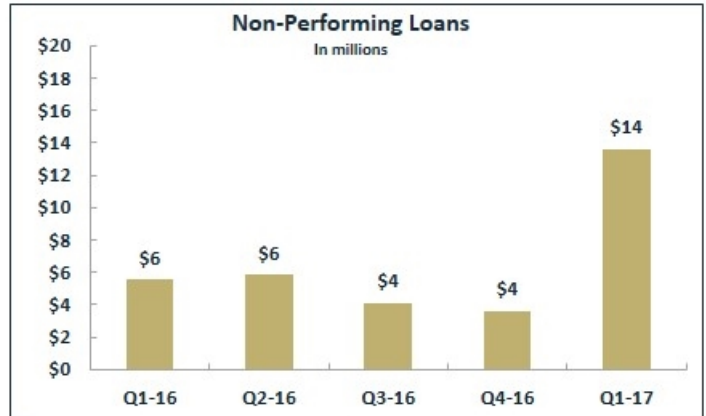
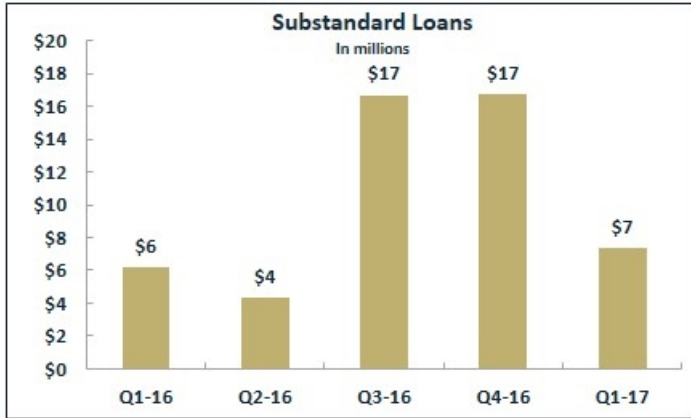
(Dollars in thousands)	Three Months Ended				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Non Interest Expense					
Salaries and Employee Benefits	\$ 5,086	\$ 5,185	\$ 5,119	\$ 4,938	\$ 5,218
Data Processing & Software	621	542	627	635	568
Professional Fees	365	406	391	426	331
Occupancy	449	366	352	371	410
Equipment	496	443	458	436	407
Regulatory Fees	307	348	250	265	227
Advertising & Marketing	143	88	56	84	140
Mortgage Earnout – Contingent Liability	50	774	661	123	123
Other	859	489	612	672	586
Total Non Interest Expense	\$ 8,375	\$ 8,642	\$ 8,527	\$ 7,951	\$ 8,010
<i>Efficiency Ratio</i>	<i>69.4%</i>	<i>65.8%</i>	<i>64.0%</i>	<i>67.6%</i>	<i>70.7%</i>

- Overall expense base of \$8.3MM trended down as guided from last quarter.
- Efficiency ratio elevated but impacted by revenue, not an increase in expense.
- Other non-interest expenses increased due to one-time expenses related to moving our headquarters, and an increase in special asset expense.

Credit Quality



Credit Quality



- Trend in substandard loans has not led to material charge-offs.
- The rolling 4-quarter average charge-off ratio for the first quarter of 2017 is 0.17%.

Capital

- With our initial public offering in September 2016, CapStar continues to have capital ratios well above regulatory guidelines.

<u>Capital Ratios</u>	Q1-17	Q4-16	Q3-16	Q2-16	"Well Capitalized" Guidelines
Tangible Equity / Tangible Assets*	9.74%	10.01%	10.07%	8.28%	NA
Tangible Common Equity / Tangible Assets*	9.08%	9.34%	9.39%	7.02%	NA
Tier 1 Leverage Ratio	10.37%	10.46%	10.47%	8.90%	≥ 5.00%
Tier 1 Risk Based Capital Ratio	11.01%	11.61%	11.46%	9.73%	≥ 8.00%
Total Risk Based Capital Ratio	12.13%	12.60%	12.45%	10.67%	≥ 10.00%

*Reconciliation provided in non-GAAP tables

Roadmap to 1.00% ROAA

- Build scale: double digit loan growth, capacity within current sales team
- Leverage expense base: 2:1 operating leverage; low 60's efficiency ratio by end of 2018
- Expand non-interest income
 - Treasury Management
 - Wealth
 - TriNet
- Net interest margin
 - Improvement in loan/deposit ratio
 - Improvement in deposit mix
 - Asset sensitive balance sheet
- Effective tax rate (not regulatory driven)
 - Tax strategies
 - ASU-2016-09, Stock Compensation (excess tax benefits)

Franchise Value

- CapStar is one of 4 banks headquartered in the Nashville MSA with assets between \$500MM and \$5B.

#	Company	Ticker	Headquarters	Total Assets (\$B)
1	Commerce Union Bancshares, Inc.	CUBN	Brentwood, TN	0.9
2	CapStar Financial Holdings, Inc.	CSTR	Nashville, TN	1.3
3	Franklin Financial Network, Inc.	FSB	Franklin, TN	2.9
4	FB Financial Corporation	FBK	Nashville, TN	3.3

- However, CapStar is the **only** Nashville pure play bank since Avenue Financial Holdings was sold to Pinnacle Financial Partners in February 2016.

Key Takeaways

- CapStar's strategy remains one of sound, profitable growth
- We are disappointed in first quarter performance
 - Proactively re-evaluating and refining our Healthcare strategy
 - Focused on consistently driving performance throughout the company
- We remain committed to achieving a 1.0% ROAA by the end of 2018
- Strategic M&A is a focus

Contact Information

Corporate Headquarters

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Rob Anderson
Chief Financial and Administrative Officer
CapStar Financial Holdings, Inc.
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Appendix: Non-GAAP Tables

Non-GAAP Financial Measures

(Dollars in thousands, except per share information)	Three Months Ended March 31,		Twelve Months Ended December 31,					
	2017	2016	2016	2015	2014	2013	2012	2011
PRE-TAX PRE-PROVISION NET INCOME								
Pre-Tax Income	\$ 285	\$ 2,380	\$ 13,590	\$ 11,029	\$ 7,404	\$ 10,157	\$ 6,230	\$ 2,073
Add: Provision for Loan and Lease Losses	3,405	937	2,829	1,651	3,869	938	3,968	1,897
Pre-Tax Pre-Provision Net Income	3,690	3,317	16,419	12,680	11,273	11,095	10,197	3,970
PRE-TAX PRE-PROVISION RETURN ON AVERAGE ASSETS								
Total Average Assets	\$1,340,237	\$1,181,428	\$1,262,763	\$ 1,140,760	\$ 1,064,705	\$ 1,028,709	\$ 846,901	\$ 612,775
Pre-Tax Pre-Provision Net Income	3,690	3,317	16,419	12,680	11,273	11,095	10,197	3,970
Pre-Tax Pre-Provision Return on Average Assets	1.12%	1.13%	1.30%	1.11%	1.06%	1.08%	1.20%	0.65%

Non-GAAP Financial Measures

	As of March 31,		As of December 31,					
(Dollars in thousands, except per share information)	2017	2016	2016	2015	2014	2013	2012	2011
TANGIBLE EQUITY								
Total Shareholders' Equity	\$ 140,211	\$ 110,859	\$ 139,207	\$ 108,586	\$ 102,651	\$ 96,191	\$ 100,477	\$ 74,570
Less: Intangible Assets	6,276	6,330	6,290	6,344	6,398	284	317	-
Tangible Equity	133,935	104,528	132,918	102,242	96,253	95,907	100,160	74,570
TANGIBLE COMMON EQUITY								
Tangible Equity	\$ 133,935	\$ 104,528	\$ 132,918	\$ 102,242	\$ 96,253	\$ 95,907	\$ 100,160	\$ 74,570
Less: Preferred Equity	9,000	16,500	9,000	16,500	16,500	16,500	16,500	16,500
Tangible Common Equity	124,935	88,028	123,918	85,742	79,753	79,407	83,660	58,070
TANGIBLE EQUITY TO TANGIBLE ASSETS								
Tangible Equity	\$ 133,935	\$ 104,528	\$ 132,918	\$ 102,242	\$ 96,253	\$ 95,907	\$ 100,160	\$ 74,570
Total Assets	1,381,703	1,223,180	1,333,675	1,206,800	1,128,395	1,009,485	1,031,755	711,183
Less: Intangible Assets	6,276	6,330	6,290	6,344	6,398	284	317	-
Tangible Assets	1,375,426	1,216,849	1,327,385	1,200,456	1,121,997	1,008,425	1,031,437	711,183
Tangible Equity to Tangible Assets	9.74%	8.59%	10.01%	8.52%	8.58%	9.51%	9.71%	10.49%
TANGIBLE COMMON EQUITY TO TANGIBLE ASSETS								
Tangible Common Equity	\$ 124,935	\$ 88,028	\$ 123,918	\$ 85,742	\$ 79,753	\$ 79,407	\$ 83,660	\$ 58,070
Tangible Assets	1,375,426	1,216,849	1,327,385	1,200,456	1,121,997	1,008,425	1,031,437	711,183
Tangible Common Equity to Tangible Assets	9.08%	7.23%	9.34%	7.14%	7.11%	7.87%	8.11%	8.17%

Non-GAAP Financial Measures

	Three Months Ended March 31,		Twelve Months Ended December 31,					
	2017	2016	2016	2015	2014	2013	2012	2011
(Dollars in thousands, except per share information)								
RETURN ON AVERAGE TANGIBLE EQUITY (ROATE)								
Total Average Shareholder's Equity	\$ 141,551	\$ 110,820	\$ 120,123	\$ 106,727	\$ 101,030	\$ 99,153	\$ 88,990	\$ 70,625
Less: Average Intangible Assets	6,285	6,338	6,318	6,371	6,855	301	1,151	-
Average Tangible Equity	135,266	104,481	113,805	100,356	94,175	98,852	87,838	70,625
Net Income to Shareholders	332	1,584	9,097	7,559	4,992	6,408	9,398	2,073
Return on Average Tangible Equity (ROATE)	1.00%	6.10%	7.99%	7.53%	5.30%	6.48%	10.70%	2.94%
RETURN ON AVERAGE TANGIBLE COMMON EQUITY (ROATCE)								
Average Tangible Equity	\$ 135,266	\$ 104,481	\$ 113,805	\$ 100,356	\$ 94,175	\$ 98,852	\$ 87,838	\$ 70,625
Less: Preferred Equity	9,000	16,500	14,533	16,500	16,500	16,500	16,500	16,500
Average Tangible Common Equity	126,266	87,981	99,273	83,856	77,675	82,352	71,338	54,125
Net Income to Shareholders	332	1,584	9,097	7,559	4,992	6,408	9,398	2,073
Return on Average Tangible Common Equity (ROATCE)	1.07%	7.24%	9.16%	9.01%	6.43%	7.78%	13.17%	3.83%
ADJUSTED SHARES OUTSTANDING AT END OF PERIOD								
Shares of Common Stock Outstanding	11,218,328	8,677,902	11,204,515	8,577,051	8,471,516	8,353,087	8,705,283	7,142,783
Shares of Preferred Stock Outstanding	878,049	1,609,756	878,049	1,609,756	1,609,756	1,609,756	1,609,756	1,609,756
Adjusted Shares Outstanding at End of Period	12,096,377	10,287,658	12,082,564	10,186,807	10,081,272	9,962,843	10,315,039	8,752,539

Non-GAAP Financial Measures

(Dollars in thousands, except per share information)	As of March 31,		As of December 31,					
	2017	2016	2016	2015	2014	2013	2012	2011
BOOK VALUE PER SHARE, ADJUSTED								
Total Shareholders Equity	\$ 140,211	\$ 110,859	\$ 139,207	\$ 108,586	\$ 102,651	\$ 96,191	\$ 100,477	\$ 74,570
Adjusted Shares Outstanding at End of Period	12,096,377	10,287,658	12,082,564	10,186,807	10,081,272	9,962,843	10,315,039	8,752,539
Book Value Per Share, Adjusted	\$11.59	\$10.78	\$11.52	\$10.66	\$10.18	\$9.65	\$9.74	\$8.52
TANGIBLE BOOK VALUE PER SHARE, REPORTED								
Tangible Common Equity	\$ 124,935	\$ 88,028	\$ 123,918	\$ 85,742	\$ 79,753	\$ 79,407	\$ 83,660	\$ 58,070
Shares of Common Stock Outstanding	11,218,328	8,677,902	11,204,515	8,577,051	8,471,516	8,353,087	8,705,283	7,142,783
Tangible Book Value Per Share, Reported	\$ 11.14	\$ 10.14	\$11.06	\$10.00	\$9.41	\$9.51	\$9.61	\$8.13
TANGIBLE BOOK VALUE PER SHARE, ADJUSTED								
Tangible Equity	\$ 133,935	\$ 104,528	\$ 132,918	\$ 102,242	\$ 96,253	\$ 95,907	\$ 100,160	\$ 74,570
Adjusted Shares Outstanding at End of Period	12,096,377	10,287,658	12,082,564	10,186,807	10,081,272	9,962,843	10,315,039	8,752,539
Tangible Book Value Per Share, Adjusted	\$ 11.07	\$ 10.16	\$11.00	\$10.04	\$9.55	\$9.63	\$9.71	\$8.52



CAPSTAR™

FINANCIAL HOLDINGS, INC.
