



C A P S T A R
FINANCIAL HOLDINGS, INC.

**Fourth Quarter 2016
Earnings Call
January 30, 2017**

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.

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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,” “estimate,” “intend,” “plan,” “project,” “projection,” “forecast,” “goal,” “target,” “would,” and “outlook,” or the negative version of those words or other comparable words of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. The inclusion of these forward-looking statements should not be regarded as a representation by us or any other person that such expectations, estimates and projections will be achieved. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. There are or will be important factors that could cause our actual results to differ materially from those indicated in these forward-looking statements, including, but 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 assess and limit our credit risk; our concentration of large loans to a small number of borrowers; the significant portion of our loan portfolio that originated during the past two years and therefore may less reliably predict future collectability than older loans; the adequacy of reserves (including our allowance for loan and lease losses) and the appropriateness of our methodology for calculating such reserves; adverse trends in the healthcare service industry, which is an integral component of our market’s economy; our management of risks inherent in our commercial real estate loan portfolio, and the risk of a prolonged downturn in the real estate market, which could impair the value of our collateral and our ability to sell collateral upon any foreclosure; governmental legislation and regulation, including changes in the nature and timing of the adoption and effectiveness of new requirements under the Dodd-Frank Act of 2010, as amended, Basel guidelines, capital requirements, accounting regulation or standards and other applicable laws and regulations; the loss of large depositor relationships, which could force us to fund our business through more expensive and less stable sources; operational and liquidity risks associated with our business, including liquidity risks inherent in correspondent banking; volatility in interest rates and our overall management of interest rate risk, including managing the sensitivity of our interest-earning assets and interest-bearing liabilities to interest rates, and the impact to our earnings from a change in interest rates; the potential for our bank’s regulatory lending limits and other factors related to our size to restrict our growth and prevent us from effectively implementing our business strategy; strategic acquisitions we may undertake to achieve our goals; the sufficiency of our capital, including sources of capital and the extent to which we may be required to raise additional capital to meet our goals; fluctuations 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 the section entitled “Risk Factors” included in the Company’s prospectus filed with the United States Securities and Exchange Commission on September 23, 2016. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from our forward-looking statements. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date of this presentation, and we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. New risks and uncertainties may emerge from time to time, and it is not possible for us to predict their occurrence or how they will affect us.

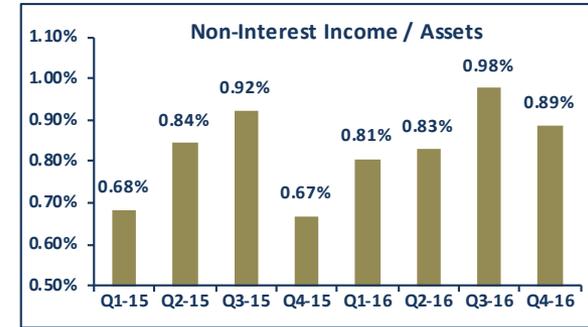
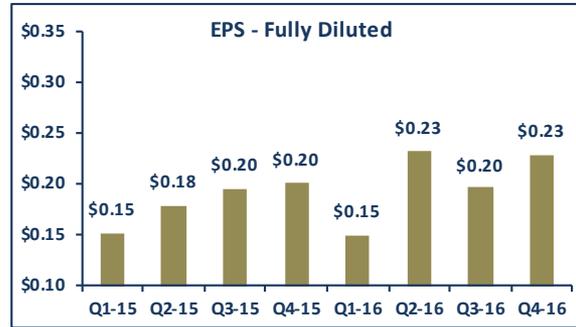
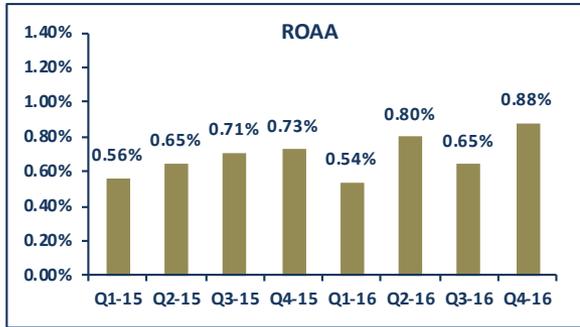
4Q16 Financial Highlights

- Record Net income at \$2.9MM¹
- Fully Diluted EPS at \$0.23
- ROAA at 0.88% and ROATCE of 9.37% for the quarter
- The following are fourth quarter results vs. the same period last year:
 - Net Income up 40%
 - Average Loan growth up 19%
 - Average Deposit growth up 17%
 - Average DDA and NOW (combined) up 38%
- Improved Deposit costs to 0.57%
- Strong Mortgage originations of \$129MM
- Efficiency ratio of 65.8%
- Net Interest Margin at 3.17%
- No Charge-offs for the quarter with net recoveries of 0.02%
- Allowance for loan and lease losses at December 31 was \$11.6MM or 1.24%
- Expanded bank product loan offerings with the launch of the Tri-Net initiative with first loans sold in December
- Tangible book value per common share at \$11.06

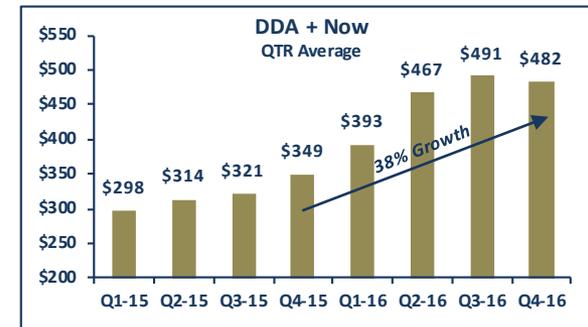
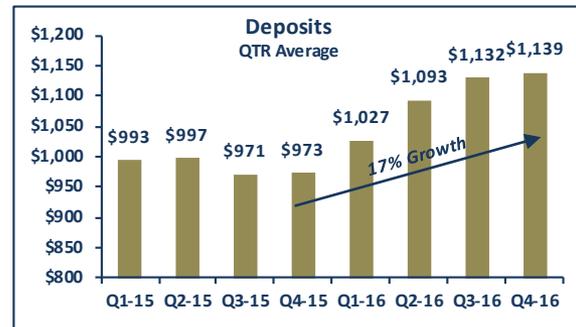
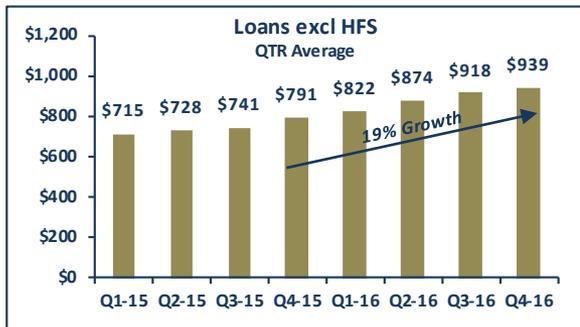
¹excluding December 2012 when CapStar recorded the reversal of the valuation allowance on the deferred tax asset.

4Q16 Summary Results/Financial Highlights

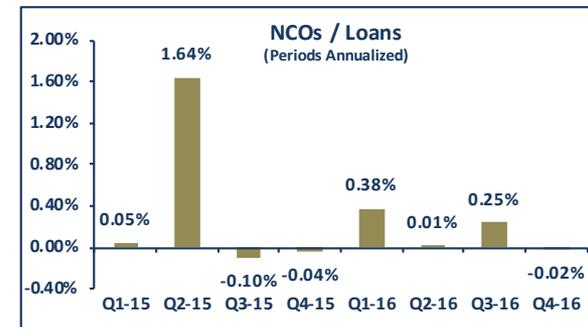
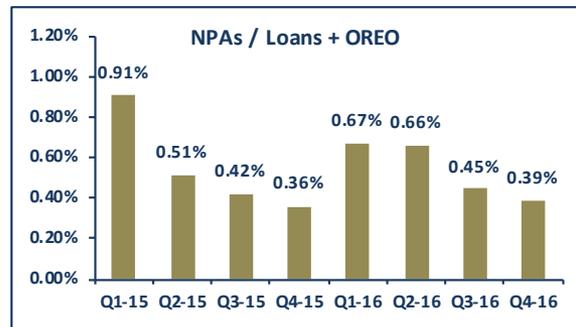
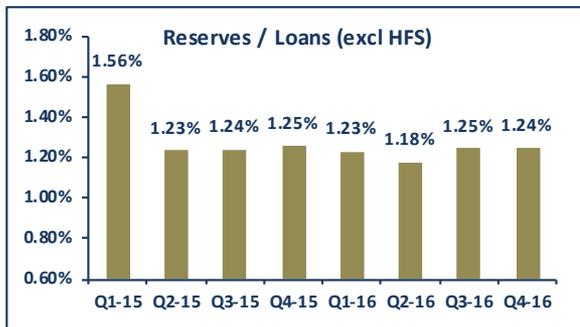
Profitability



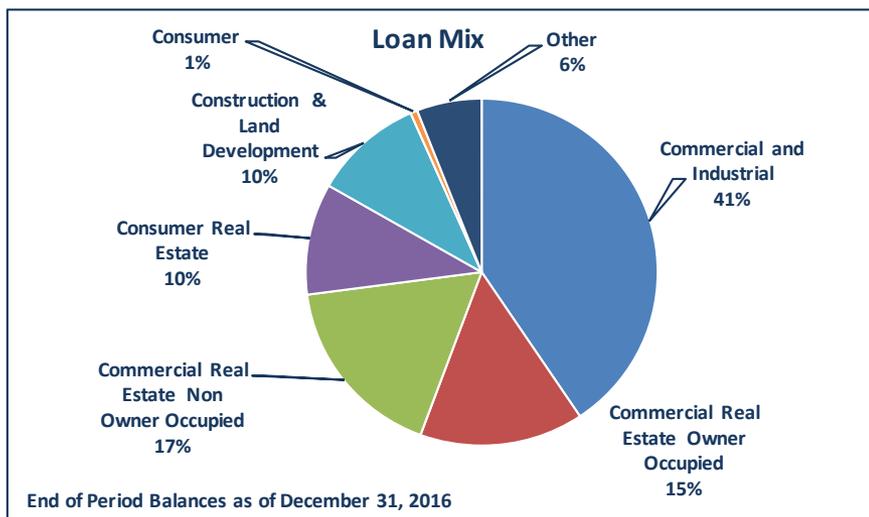
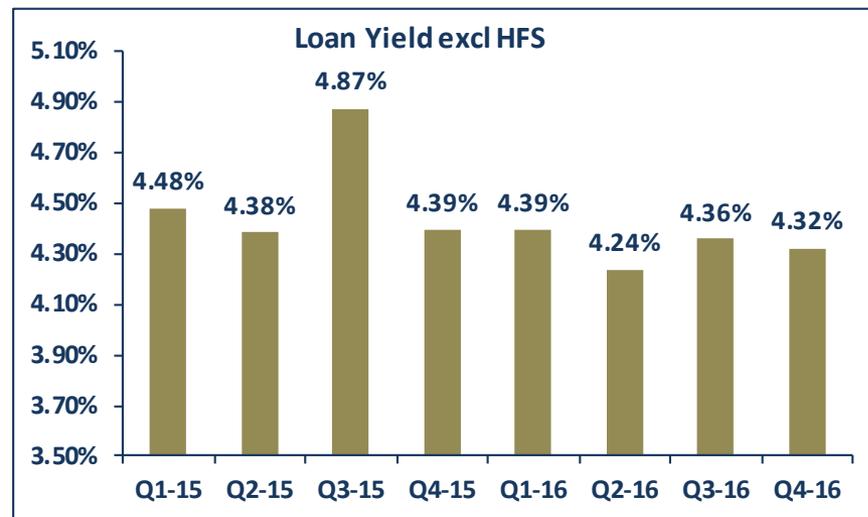
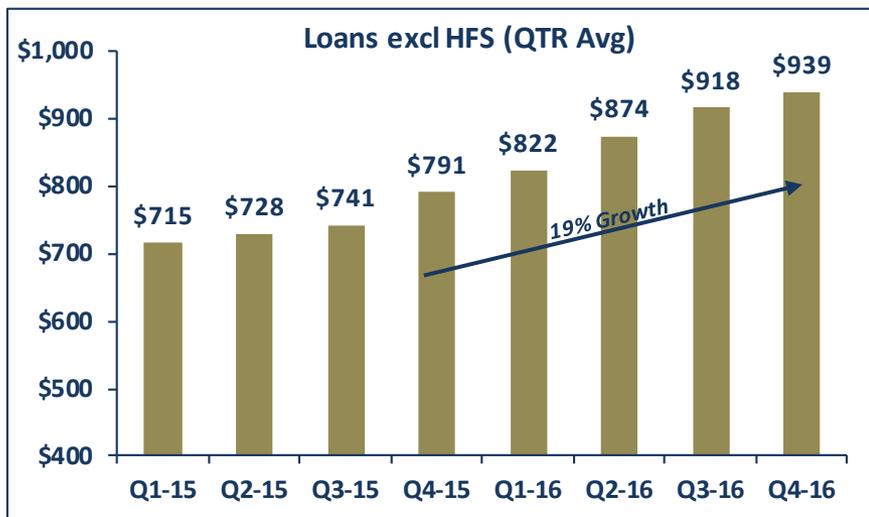
Growth



Soundness



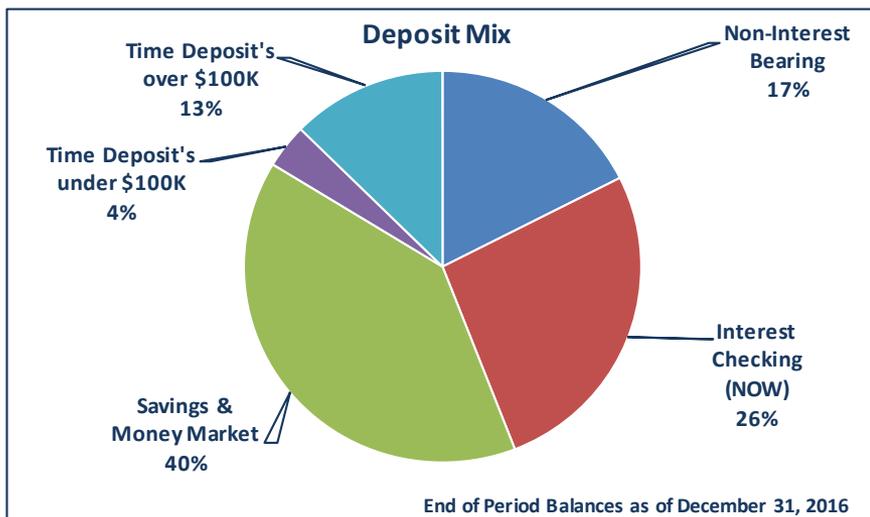
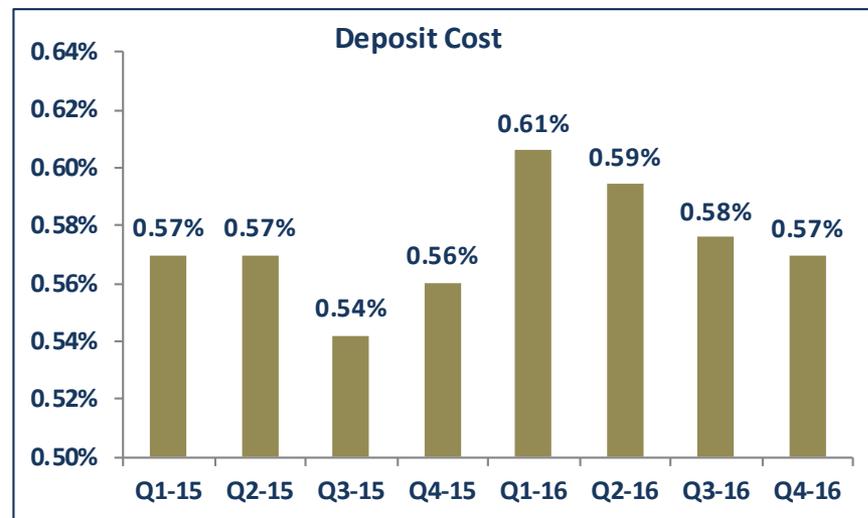
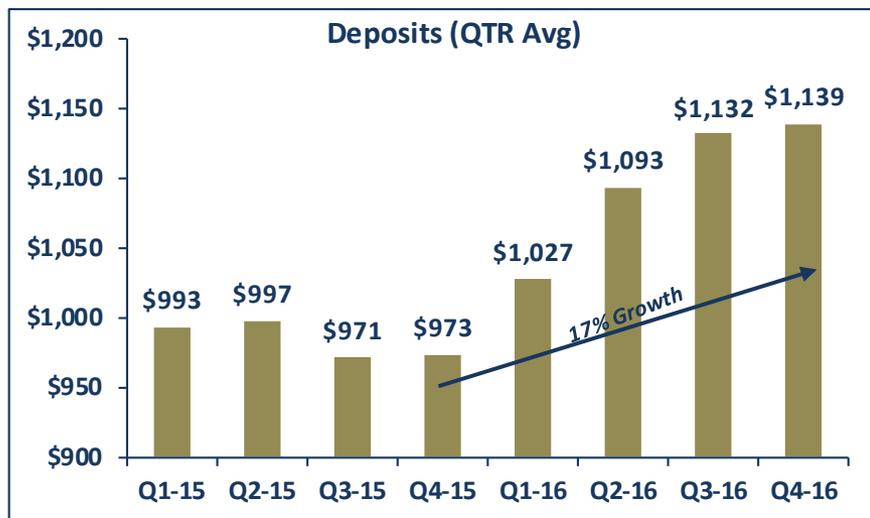
We continue to experience strong loan growth



\$ in millions

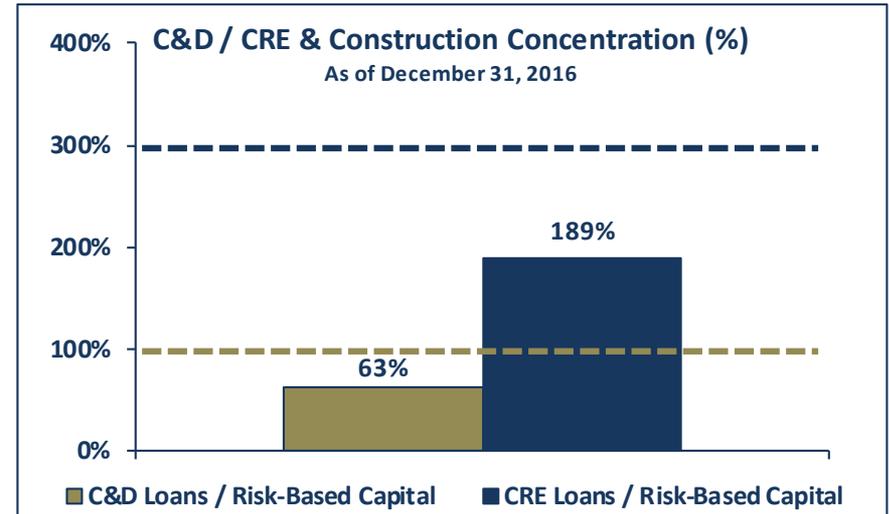
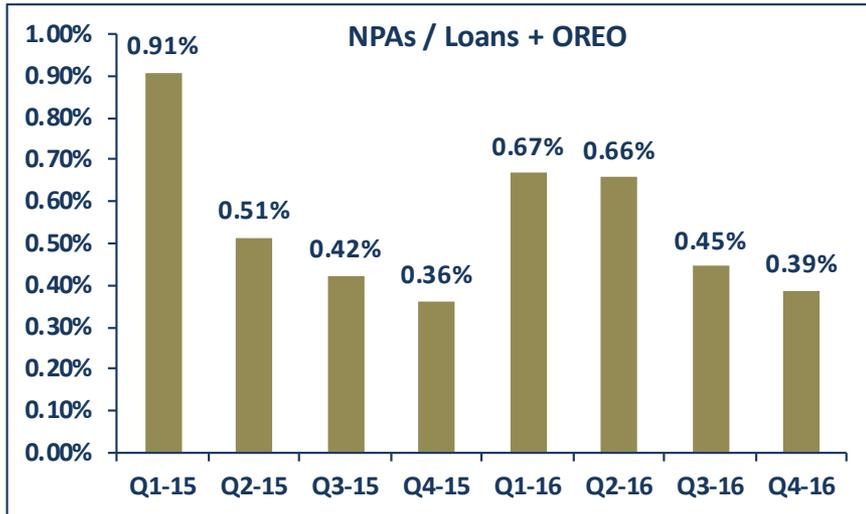
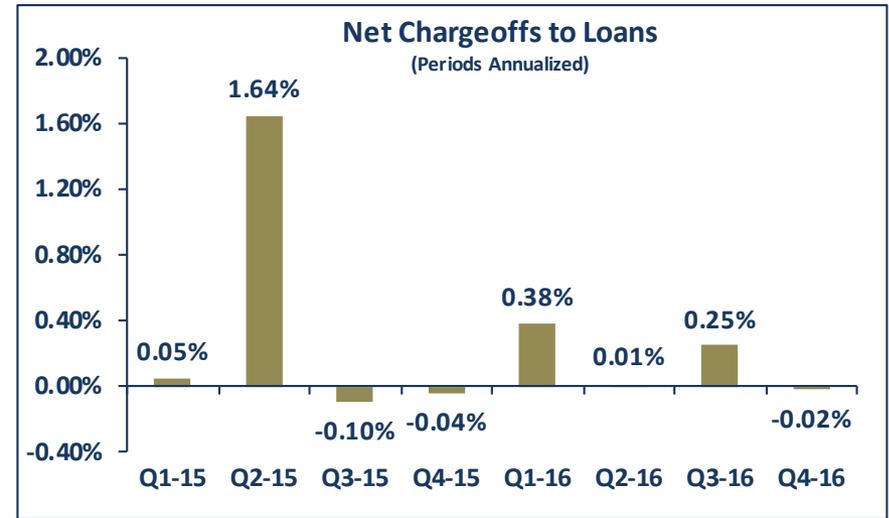
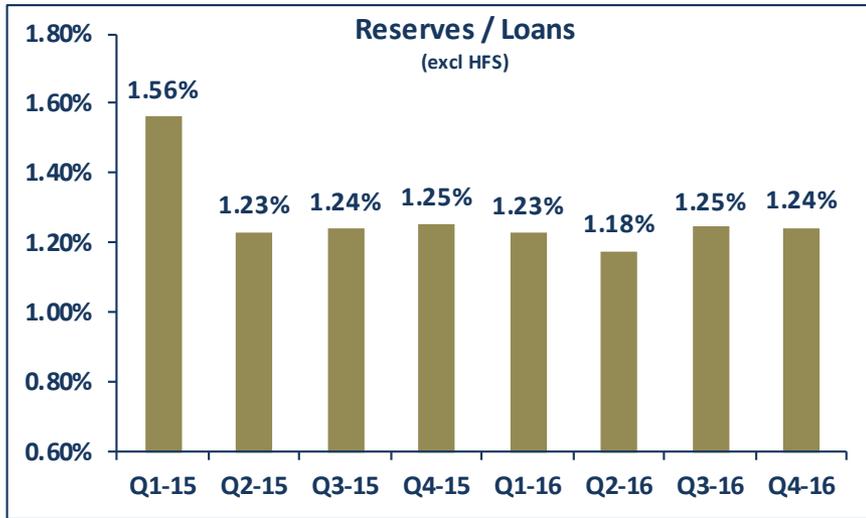
	Q4-16	Q4-15	% Change
Balance Sheet (Quarter Averages)			
C&I - Healthcare	\$ 186	\$ 151	23%
C&I - All Other	199	196	2%
Commercial and Industrial	385	347	11%
Commercial Real Estate	291	240	21%
Consumer Real Estate	99	95	5%
Construction and Land Development	95	52	81%
Consumer	7	9	-15%
Other	63	49	27%
Total	\$ 940	\$ 792	19%
Less Net Unearned Income	(1)	(1)	-9%
Total Loans (Net of Unearned Income)	\$ 939	\$ 791	19%
Loans Held for Sale	52	27	92%
Total Loans (Including Loans HFS)	\$ 991	\$ 818	21%

Deposits continue to grow with a decline in rates



\$ in millions	Q4-16	Q4-15	% Change
	Balance Sheet (Quarter Averages)		
Non-Interest Bearing	\$ 196	\$ 191	2%
Interest Checking (NOW)	287	158	81%
Savings & Money Market	455	449	1%
Time Deposit's under \$100K	42	45	-6%
Time Deposit's over \$100K	159	130	22%
Deposits	\$ 1,139	\$ 973	17%

Sound Credit Quality



Summary Financials 4Q16

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

\$ in millions	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2016	2015	%/bp Change	2016	2015	%/bp Change
Balance Sheet (Period Averages)						
Loans (Excl HFS)	\$ 939	\$ 791	19%	\$ 889	\$ 744	19%
Deposits	1,139	973	17%	1,098	984	12%
Total Transaction Deposits (DDA + Now)	482	349	38%	458	321	43%
Total Assets	1,325	1,140	16%	1,263	1,141	11%
Income Statement						
Net Interest Income	\$ 10.2	\$ 8.8	15%	\$ 38.5	\$ 34.8	11%
Non Interest Income	3.0	1.9	54%	11.1	8.9	25%
Total Revenue	13.1	10.8	22%	49.5	43.7	13%
Provision for Loan and Lease Losses	0.1	0.4	-80%	2.8	1.7	71%
Non Interest Expense	8.6	7.3	18%	33.1	31.0	7%
Net income	2.9	2.1	40%	9.1	7.6	20%
Pre-tax Pre-Provision Income*	4.5	3.4	31%	16.4	12.7	29%
Ratios						
EPS Fully Diluted	\$0.23	\$0.20	14%	\$0.81	\$0.73	11%
Tangible Book Value Common*	\$11.06	\$10.00	11%	\$11.06	\$10.00	11%
ROAA	0.88%	0.73%	0.15	0.72%	0.66%	0.06
ROAE	8.35%	7.61%	0.74	7.57%	7.08%	0.49
Efficiency Ratio*	65.8%	68.1%	(2.3)	66.9%	71.0%	(4.1)

Relationship driven products

Expansion of Fee businesses

Operating Leverage

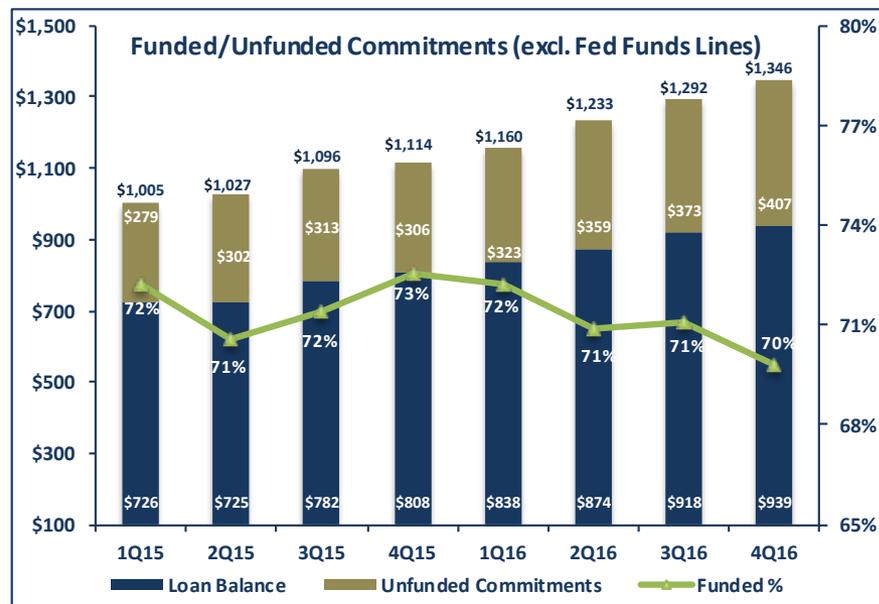
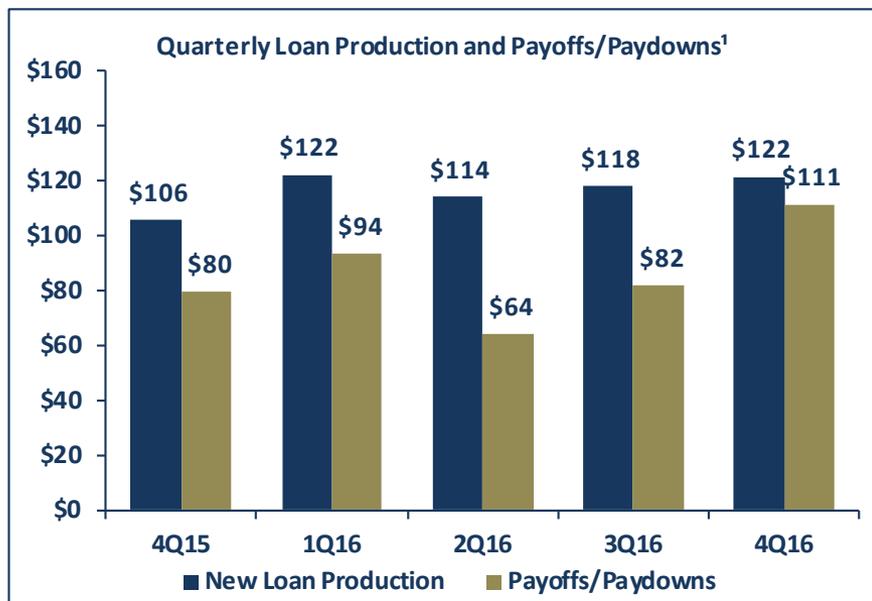
Strong earnings growth

Improving profitability metrics

*Reconciliation provided in non-GAAP tables

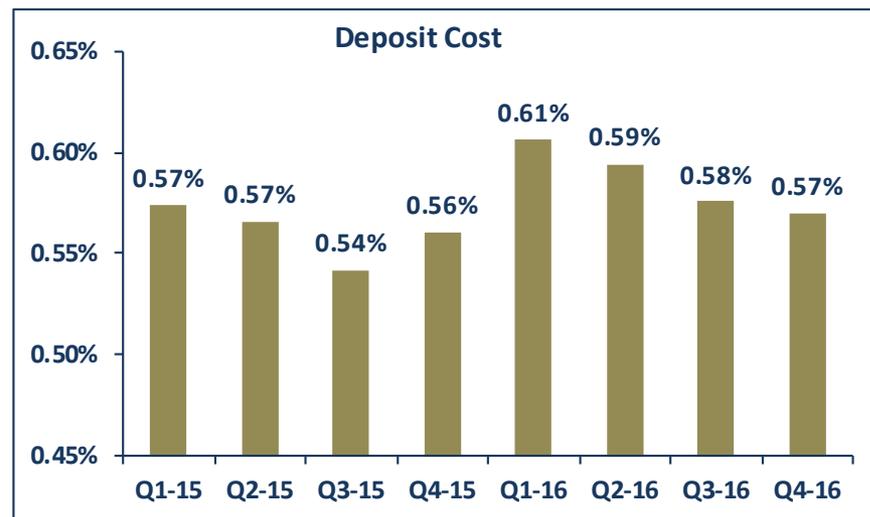
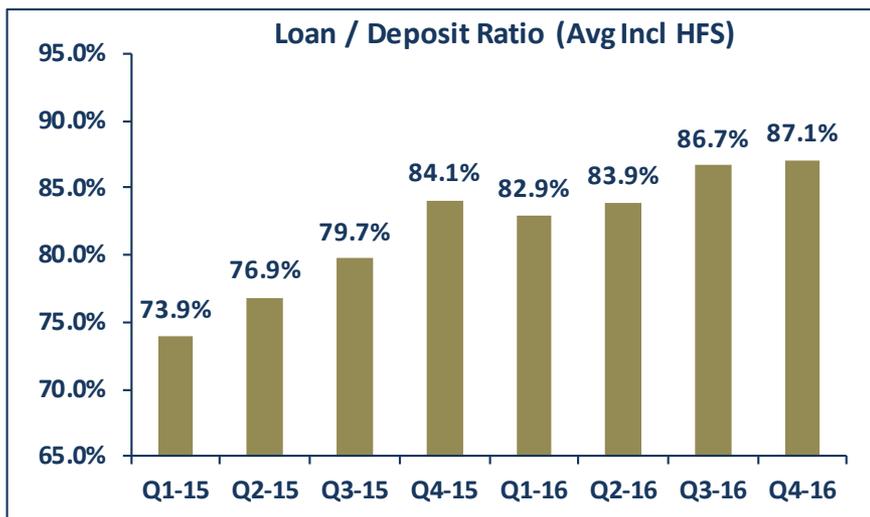
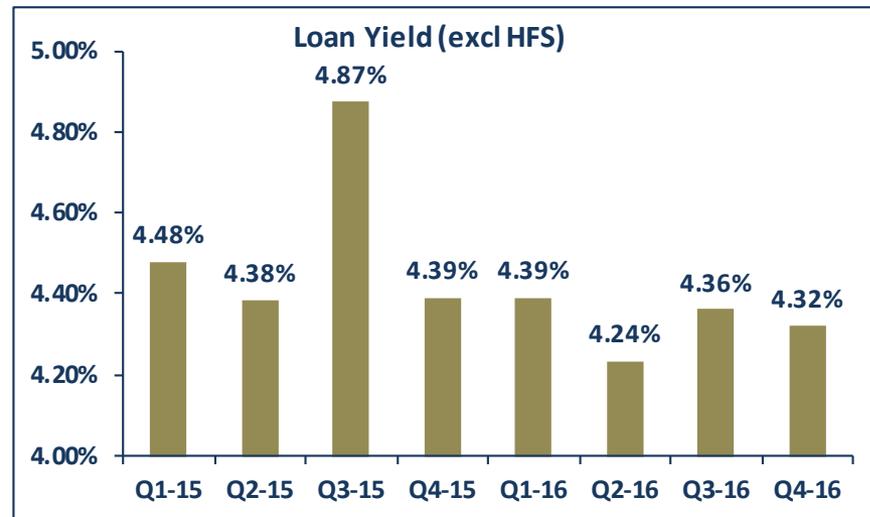
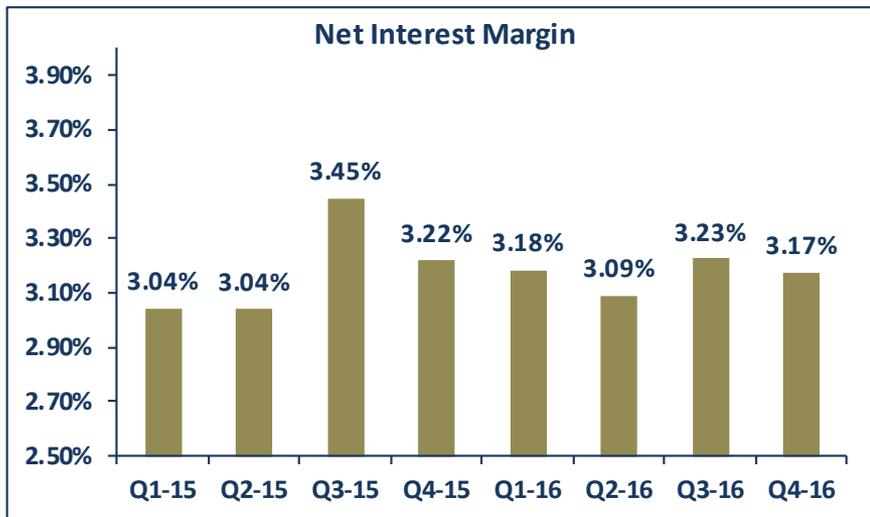
Loan Growth and Line Utilization

- While average loan growth for the quarter increased 19%, loan growth in the fourth quarter was impacted by the increased levels of payoffs and paydowns.
- New loan production has been consistent all year.
- Low line utilization continues to provide opportunity for future loan fundings.



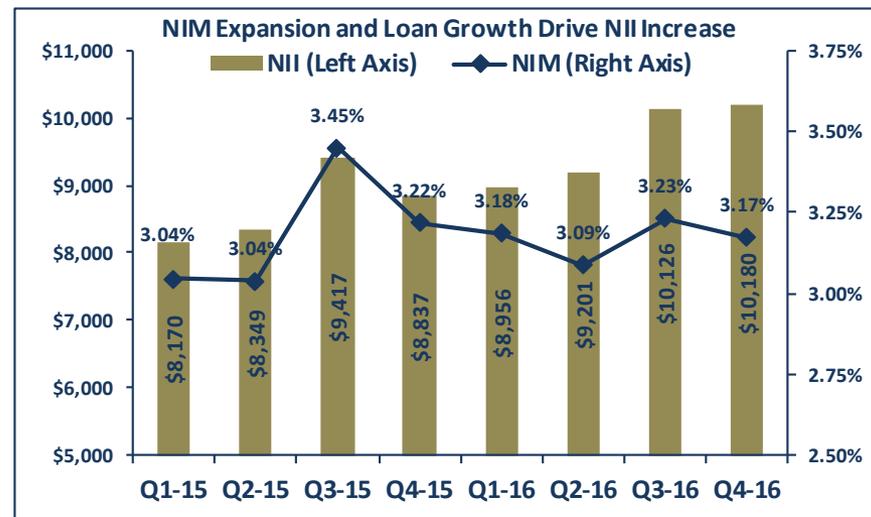
¹Source: Internal CapStar records. New loans include new fundings to new and existing clients as well as increases in lines of credit. Pay offs and pay downs include line decreases, payoffs of existing loans and loan amortization.

Net Interest Margin



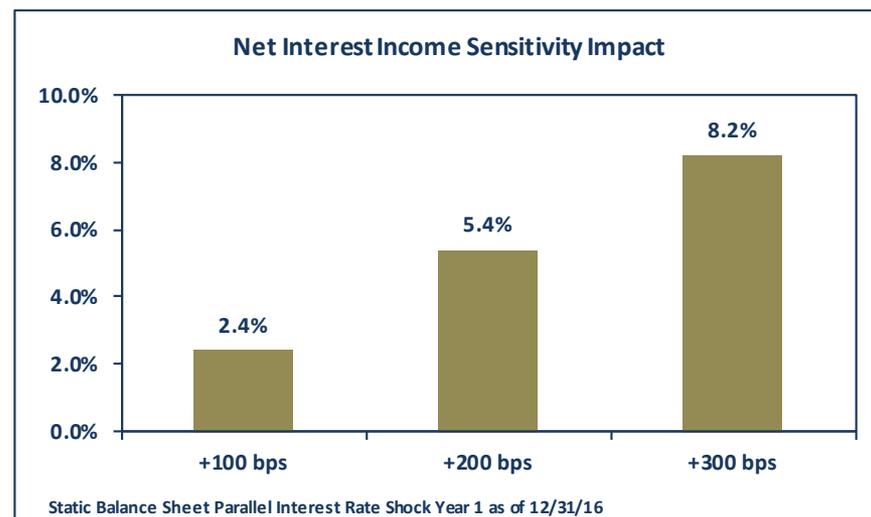
Net Interest Income & Net Interest Margin

- Net Interest Income increased 15% from 4Q15 and is within the expected range.
- 1 month LIBOR and Fed Funds rate increases occurred late in the fourth quarter of 2016 and therefore, the full impact of our loan portfolio should be seen in 1Q17 once contractual repricings are complete.
- We remain asset sensitive and are well positioned for rising rates.



NIM Linked-Quarter Change Drivers

(\$ in millions)	NIM
3Q16	3.23%
Lower Loan Yields	-0.02%
Lower Loan Fees	-0.02%
Higher Cash Volumes	-0.02%
4Q16	3.17%



Tri-Net Initiative helping us to expand our Fee Businesses

(Dollars in thousands)	Three Months Ended			
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Non Interest Income				
Service Charges on Deposit Accounts	\$ 303	\$ 277	\$ 303	\$ 225
Loan Commitment Fees	217	329	143	430
Mortgage Fees	2,033	2,339	1,655	1,347
Wealth Management	30	25	27	31
Gain on OREO	-	-	85	73
BOLI	150	151	150	150
Net Gain (Loss) on Sale of Securities	-	(4)	86	39
Net Gain (Loss) on Sale of Loans	125	-	9	-
Other	95	74	111	76
Total Non Interest Income	\$ 2,954	\$ 3,191	\$ 2,568	\$ 2,371
<i>Average Assets</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>0.89%</i>	<i>0.98%</i>	<i>0.83%</i>	<i>0.81%</i>
Total Mortgage Loans Sold				
	\$ 152,656	\$ 154,565	\$ 123,155	\$ 92,654

Absent the Mortgage earnout, expenses have been flat

(Dollars in thousands)	Three Months Ended			
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Non Interest Expense				
Salaries and Employee Benefits	\$ 5,185	\$ 5,119	\$ 4,938	\$ 5,218
Data Processing & Software	542	627	635	568
Professional Fees	406	391	426	331
Occupancy	366	352	371	410
Equipment	443	458	436	407
Regulatory Fees	348	250	265	227
Advertising & Marketing	88	56	84	140
Mortgage Earnout – Contingent Liability	774	661	123	123
Other	489	612	672	586
Total Non Interest Expense	\$ 8,642	\$ 8,527	\$ 7,951	\$ 8,010
<i>Efficiency Ratio</i>	<i>65.8%</i>	<i>64.0%</i>	<i>67.6%</i>	<i>70.7%</i>
Total Non Interest Expense excl Mortgage Earnout - Contingent Liability	\$ 7,868	\$ 7,866	\$ 7,828	\$ 7,887

Strong Capital Position

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

<u>Capital Ratios</u>	Q4-16	Q3-16	Q2-16	Q1-16	"Well Capitalized" Guidelines
Tangible Equity / Tangible Assets*	10.01%	10.07%	8.28%	8.59%	NA
Tangible Common Equity / Tangible Assets*	9.34%	9.39%	7.02%	7.23%	NA
Tier 1 Leverage Ratio	10.46%	10.47%	8.90%	9.16%	≥ 5.00%
Tier 1 Risk Based Capital Ratio	11.61%	11.46%	9.73%	10.26%	≥ 8.00%
Total Risk Based Capital Ratio	12.60%	12.45%	10.67%	11.26%	≥ 10.00%

*Reconciliation provided in non-GAAP tables

Strategic Outlook

- CapStar's core strategy will continue to focus on sound, profitable, growth
- Improving profitability profile
 - Targeting a 1.0% ROAA by the end of 2018
 - Targeting an efficiency ratio in the low 60%'s by the end of 2018
- Opportunistic hiring of bankers
- Strategic M&A
 - Scale
 - Cost of Funds
 - Complementary business
 - Non-Interest Income fee sources

Appendix: Historical Financials

Historical Financials

(Dollars in thousands, except per share information)	Three Months Ended December 31,		Twelve Months Ended December 31,					
	2016	2015	2016	2015	2014	2013	2012	2011
STATEMENT OF INCOME DATA								
Interest Income	\$ 12,007	\$ 10,271	\$ 45,395	\$ 40,504	\$ 38,287	\$ 41,157	\$ 33,966	\$ 23,454
Interest Expense	1,827	1,434	6,932	5,731	5,871	6,576	6,682	7,146
Net Interest Income	10,180	8,837	38,463	34,773	32,416	34,581	27,284	16,308
Provision for Loan and Lease Losses	70	350	2,829	1,651	3,869	938	3,968	1,897
Non-Interest Income	2,954	1,918	11,084	8,884	7,419	1,946	1,935	874
Non-Interest Expense	8,642	7,323	33,129	30,977	28,562	25,432	19,021	13,211
Income before Income Taxes	4,423	3,083	13,590	11,029	7,404	10,157	6,230	2,073
Income Tax Expense	1,495	990	4,493	3,470	2,412	3,749	(3,168)	-
Net Income	2,927	2,093	9,097	7,559	4,992	6,408	9,398	2,073
Pre-Tax Pre-Provision Net Income *	4,493	3,433	16,419	12,680	11,273	11,095	10,197	3,970

*Reconciliation provided in non-GAAP tables

Historical Financials

	As of December 31,					
(Dollars in thousands, except per share information)	2016	2015	2014	2013	2012	2011
BALANCE SHEET (AT PERIOD END)						
Cash & Due From Banks	\$ 80,111	\$ 100,185	\$ 73,934	\$ 44,793	\$ 113,282	\$ 44,043
Investment Securities	235,250	221,890	285,514	305,291	280,115	236,837
Loans Held for Sale	42,111	35,729	15,386	-	-	-
Gross Loans and Leases (Net of Unearned Income)	935,251	808,396	713,077	626,382	624,328	430,329
Total Intangibles	6,290	6,344	6,398	284	317	-
Total Assets	1,333,675	1,206,800	1,128,395	1,009,485	1,031,755	711,183
Deposits	1,128,594	1,038,460	981,057	879,165	919,782	621,212
Borrowings and Repurchase Agreements	55,000	48,755	34,837	29,494	7,452	12,622
Total Liabilities	1,194,468	1,098,214	1,025,744	913,294	931,277	636,613
Common Equity	130,207	92,086	86,151	79,691	83,977	58,070
Preferred Equity	9,000	16,500	16,500	16,500	16,500	16,500
Total Shareholders' Equity	139,207	108,586	102,651	96,191	100,478	74,570
Tangible Equity *	132,918	102,242	96,253	95,907	100,160	74,570

* Reconciliation provided in non-GAAP tables

Historical Financials

	Three Months Ended December 31,		Twelve Months Ended December 31,					
(Dollars in thousands, except per share information)	2016	2015	2016	2015	2014	2013	2012	2011
SELECTED PERFORMANCE RATIOS								
Return on Average Assets (ROAA)	0.88%	0.73%	0.72%	0.66%	0.47%	0.62%	1.11%	0.34%
Pre-Tax Pre-Provision Return on Average Assets (PTPP ROAA) *	1.35%	1.19%	1.30%	1.11%	1.06%	1.08%	1.20%	0.65%
Return on Average Equity (ROAE)	8.35%	7.61%	7.57%	7.08%	4.94%	6.46%	10.56%	2.94%
Return on Average Tangible Equity (ROATE) *	8.74%	8.08%	7.99%	7.53%	5.30%	6.48%	10.70%	2.94%
Return on Average Tangible Common Equity (ROATCE) *	9.37%	9.62%	9.16%	9.01%	6.43%	7.78%	13.17%	3.83%
Net Interest Margin	3.17%	3.22%	3.17%	3.19%	3.20%	3.45%	3.30%	2.73%
Efficiency Ratio **	65.8%	68.1%	66.9%	71.0%	71.7%	69.6%	65.1%	76.9%
Non-Interest Income / Average Assets	0.89%	0.67%	0.88%	0.78%	0.70%	0.19%	0.23%	0.14%
Non-Interest Expense / Average Assets	2.60%	2.55%	2.62%	2.72%	2.68%	2.47%	2.25%	2.16%
Loan and Lease Yield	4.32%	4.39%	4.33%	4.53%	4.74%	5.48%	5.50%	5.02%
Deposit Cost	0.57%	0.56%	0.59%	0.56%	0.62%	0.71%	0.89%	1.34%

* Reconciliation provided in non-GAAP tables

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

Historical Financials

	Three Months Ended December 31,		Twelve Months Ended December 31,					
(Dollars in thousands, except per share information)	2016	2015	2016	2015	2014	2013	2012	2011
PER SHARE OUTSTANDING DATA								
Basic Net Earnings per Share	\$0.26	\$0.24	\$0.98	\$0.89	\$0.59	\$0.75	\$1.20	\$0.29
Diluted Net Earnings per Share	\$0.23	\$0.20	\$0.81	\$0.73	\$0.49	\$0.62	\$1.00	\$0.24
Book Value Per Share, Reported	\$11.62	\$10.74	\$11.62	\$10.74	\$10.17	\$9.54	\$9.65	\$8.13
Tangible Book Value Per Share, Reported	\$11.06	\$10.00	\$11.06	\$10.00	\$9.41	\$9.51	\$9.61	\$8.13
Book Value per Share, Adjusted *	\$11.52	\$10.66	\$11.52	\$10.66	\$10.18	\$9.65	\$9.74	\$8.52
Tangible Book Value per Share, Adjusted *	\$11.00	\$10.04	\$11.00	\$10.04	\$9.55	\$9.63	\$9.71	\$8.52
Shares of Common Stock Outstanding at End of Period	11,204,515	8,577,051	11,204,515	8,577,051	8,471,516	8,353,087	8,705,283	7,142,783
CAPITAL RATIOS (AT PERIOD END)								
Tier 1 Leverage Ratio	10.46%	9.33%	10.46%	9.33%	8.56%	8.96%	9.22%	10.31%
Common Equity Tier 1 Capital (Cet1)	10.90%	8.89%	10.90%	8.89%	-	-	-	-
Tier 1 Risk-Based Capital	11.61%	10.41%	11.61%	10.41%	10.32%	11.14%	11.77%	13.47%
Total Risk-Based Capital Ratio	12.60%	11.42%	12.60%	11.42%	11.54%	12.19%	12.86%	14.68%
Total Shareholders' Equity to Total Asset Ratio	10.44%	9.00%	10.44%	9.00%	9.10%	9.54%	9.74%	10.49%
Tangible Equity to Tangible Assets *	10.01%	8.52%	10.01%	8.52%	8.58%	9.51%	9.71%	10.49%

* Reconciliation provided in non-GAAP tables

Historical Financials

	Three Months Ended December 31,		Twelve Months Ended December 31,					
(Dollars in thousands, except per share information)	2016	2015	2016	2015	2014	2013	2012	2011
NON-PERFORMING ASSETS (NPA)								
Non-Performing Loans	\$ 3,619	\$ 2,689	\$ 3,619	\$ 2,689	\$ 7,738	\$ 6,552	\$ 8,784	\$ 141
Troubled Debt Restructurings	1,272	125	1,272	125	2,618	-	-	141
Other Real Estate and Repossessed Assets	-	216	-	216	575	1,451	1,822	-
Non-Performing Assets	3,619	2,905	3,619	2,905	8,313	8,003	10,606	141
ASSET QUALITY RATIOS								
Non-Performing Assets / Assets	0.27%	0.24%	0.27%	0.24%	0.74%	0.79%	1.03%	0.02%
Non-Performing Loans / Loans	0.39%	0.33%	0.39%	0.33%	1.09%	1.05%	1.41%	0.03%
Non-Performing Assets / Loans + OREO	0.39%	0.36%	0.39%	0.36%	1.16%	1.27%	1.69%	0.03%
Net Charge-Offs to Average Loans (Periods Annualized)	-0.02%	-0.04%	0.15%	0.38%	0.15%	0.11%	0.40%	0.14%
Allowance for Loan and Lease Losses to Total Loans and Leases	1.24%	1.25%	1.24%	1.25%	1.58%	1.35%	1.32%	1.45%
Allowance for Loan and Lease Losses to Non- Performing Loans	321.4%	376.8%	321.4%	376.8%	145.8%	129.1%	93.5%	4,415.6%

* Reconciliation provided in non-GAAP tables

Historical Financials

	As of December 31,					
(Dollars in thousands, except per share information)	2016	2015	2014	2013	2012	2011
COMPOSITION OF LOANS HELD FOR INVESTMENT						
Commercial Real Estate	\$ 302,322	\$ 251,196	\$ 219,793	\$ 182,392	\$ 177,584	\$ 135,855
Consumer Real Estate	97,015	93,785	77,688	61,174	73,637	51,256
Construction and Land Development	94,491	52,522	46,193	30,217	35,674	24,676
Commercial and Industrial	379,620	353,442	332,914	312,527	279,755	175,518
Consumer	5,974	8,668	7,910	7,939	10,749	12,687
Other Loans	55,829	48,782	28,578	32,132	46,929	30,337
DEPOSIT COMPOSITION						
Non-Interest Bearing	\$ 197,659	\$ 190,580	\$ 157,355	\$ 135,448	\$ 102,786	\$ 66,641
Interest Checking	299,621	189,983	115,915	84,028	60,663	12,655
Savings & Money Market	447,686	437,214	484,600	427,312	544,762	404,775
Time Deposits Less Than \$100,000	41,128	45,902	51,813	46,819	52,844	21,563
Time Deposits Greater Than or Equal to \$100,000	142,500	174,781	171,373	185,482	158,778	115,578

* Reconciliation provided in non-GAAP tables

Historical Financials

	Three Months Ended December 31,		Twelve Months Ended December 31,					
(Dollars in thousands, except per share information)	2016	2015	2016	2015	2014	2013	2012	2011
REAL ESTATE - COMMERCIAL AND CONSTRUCTION CONCENTRATIONS								
Construction and Development	\$ 94,491	\$ 52,522	\$ 94,491	\$ 52,522	\$ 46,193	\$ 30,217	\$ 35,674	\$ 24,676
Commercial Real Estate and Construction	282,513	198,285	282,513	198,285	172,803	146,258	150,253	109,988
Construction and Development to Total Risk Based Capital (Reg. 100%)	63.2%	45.3%	63.2%	45.3%	42.8%	30.1%	36.7%	32.3%
Coml. Real Estate and Const. to Total Risk Based Capital (Reg. 300%)	188.8%	170.9%	188.8%	170.9%	160.0%	145.8%	154.6%	144.0%
MORTGAGE METRICS								
Total Origination Volume	\$ 128,659	\$ 94,257	\$ 522,037	\$ 422,323	\$ 253,099	-	-	-
Total Mortgage Loans Sold	152,656	88,560	523,031	407,941	245,891	-	-	-
Purchase Volume as a % of Originations	64%	72%	67%	72%	76%	-	-	-
Mortgage Fees/Gain on Sale of Loans	2,033	1,263	7,375	5,962	4,067	-	-	-
Mortgage Fees/Gain on Sale as a % of Loans Sold	1.33%	1.43%	1.41%	1.46%	1.65%	-	-	-
Mortgage Fees/Gain on Sale as a % of Total Revenue	15.5%	11.7%	14.9%	13.7%	10.2%	-	-	-

Non-GAAP Financial Measures

	Three Months Ended December 31,		Twelve Months Ended December 31,					
(Dollars in thousands, except per share information)	2016	2015	2016	2015	2014	2013	2012	2011
PRE-TAX PRE-PROVISION NET INCOME								
Pre-Tax Income	\$ 4,423	\$ 3,083	\$ 13,590	\$ 11,029	\$ 7,404	\$ 10,157	\$ 6,230	\$ 2,073
Add: Provision for Loan and Lease Losses	70	350	2,829	1,651	3,869	938	3,968	1,897
Pre-Tax Pre-Provision Net Income	4,493	3,433	16,419	12,680	11,273	11,095	10,198	3,970
PRE-TAX PRE-PROVISION RETURN ON AVERAGE ASSETS								
Total Average Assets	\$1,324,620	\$ 1,140,127	\$1,262,763	\$ 1,140,760	\$ 1,064,705	\$ 1,028,709	\$ 846,901	\$ 612,775
Pre-Tax Pre-Provision Net Income	4,493	3,433	16,419	12,680	11,273	11,095	10,198	3,970
Pre-Tax Pre-Provision Return on Average Assets	1.35%	1.19%	1.30%	1.11%	1.06%	1.08%	1.20%	0.65%

Non-GAAP Financial Measures

	As of December 31,					
(Dollars in thousands, except per share information)	2016	2015	2014	2013	2012	2011
TANGIBLE EQUITY						
Total Shareholders' Equity	\$ 139,207	\$ 108,586	\$ 102,651	\$ 96,191	\$ 100,477	\$ 74,570
Less: Intangible Assets	6,290	6,344	6,398	284	317	-
Tangible Equity	132,918	102,242	96,253	95,907	100,160	74,570
TANGIBLE COMMON EQUITY						
Tangible Equity	\$ 132,918	\$ 102,242	\$ 96,253	\$ 95,907	\$ 100,160	\$ 74,570
Less: Preferred Equity	9,000	16,500	16,500	16,500	16,500	16,500
Tangible Common Equity	123,918	85,742	79,753	79,407	83,660	58,070
TANGIBLE EQUITY TO TANGIBLE ASSETS						
Tangible Equity	\$ 132,918	\$ 102,242	\$ 96,253	\$ 95,907	\$ 100,160	\$ 74,570
Total Assets	1,333,675	1,206,800	1,128,395	1,008,709	1,031,755	711,183
Less: Intangible Assets	6,290	6,344	6,398	284	317	-
Tangible Assets	1,327,385	1,200,456	1,121,997	1,008,425	1,031,437	711,183
Tangible Equity to Tangible Assets	10.01%	8.52%	8.58%	9.51%	9.71%	10.49%
TANGIBLE COMMON EQUITY TO TANGIBLE ASSETS						
Tangible Common Equity	\$ 123,918	\$ 85,742	\$ 79,753	\$ 79,407	\$ 83,660	\$ 58,070
Tangible Assets	1,327,385	1,200,456	1,121,997	1,008,425	1,031,437	711,183
Tangible Common Equity to Tangible Assets	9.34%	7.14%	7.11%	7.87%	8.11%	8.17%

Non-GAAP Financial Measures

	Three Months Ended December 31,		Twelve Months Ended December 31,					
(Dollars in thousands, except per share information)	2016	2015	2016	2015	2014	2013	2012	2011
RETURN ON AVERAGE TANGIBLE EQUITY (ROATE)								
Total Average Shareholder's Equity	\$ 139,529	\$ 109,132	\$ 120,123	\$ 106,727	\$ 101,030	\$ 99,153	\$ 88,990	\$ 70,625
Less: Average Intangible Assets	6,298	6,351	6,318	6,371	6,855	301	1,151	-
Average Tangible Equity	133,231	102,781	113,805	100,356	94,175	98,852	87,838	70,625
Net Income to Shareholders	2,927	2,093	9,097	7,559	4,992	6,408	9,397	2,073
Return on Average Tangible Equity (ROATE)	8.74%	8.08%	7.99%	7.53%	5.30%	6.48%	10.70%	2.94%
RETURN ON AVERAGE TANGIBLE COMMON EQUITY (ROATCE)								
Average Tangible Equity	133,231	102,781	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	124,231	86,281	99,273	83,856	77,675	82,352	71,338	54,125
Net Income to Shareholders	2,927	2,093	9,097	7,559	4,992	6,408	9,397	2,073
Return on Average Tangible Common Equity (ROATCE)	9.37%	9.62%	9.16%	9.01%	6.43%	7.78%	13.17%	3.83%
ADJUSTED SHARES OUTSTANDING AT END OF PERIOD								
Shares of Common Stock Outstanding	11,204,515	8,577,051	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	12,082,564	10,186,807	12,082,564	10,186,807	10,081,272	9,962,843	10,315,039	8,752,539

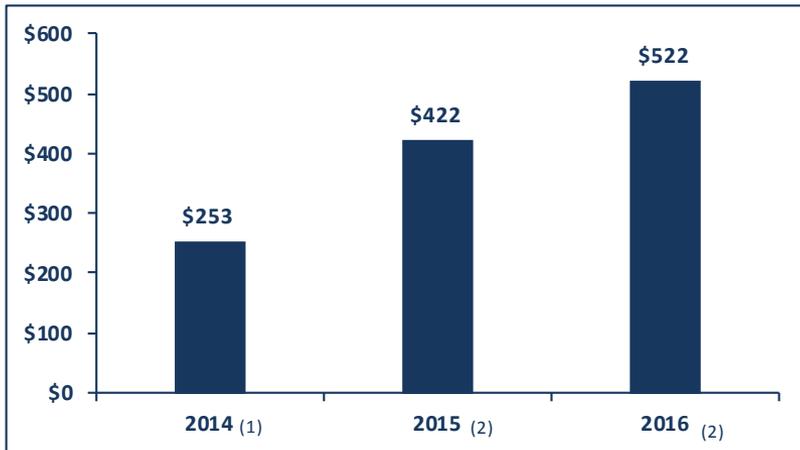
Non-GAAP Financial Measures

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

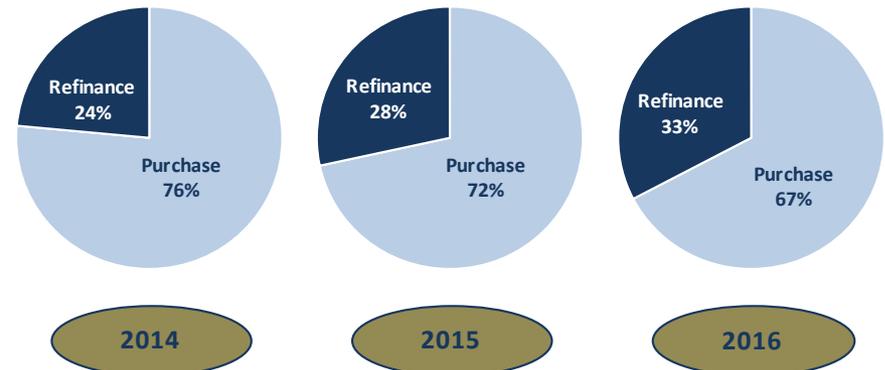
Scalable Mortgage Platform

- ❖ The acquisition of Farmington Financial in February 2014 added mortgage origination services to CapStar's product offering and enhanced fee income generation.
- ❖ Farmington's strategy is to originate conforming loans which are sold into the secondary mortgage market.
- ❖ As of December 2016, approximately 67% of originated loans represent new loan originations as opposed to refinancings.

Total Production (\$mm)



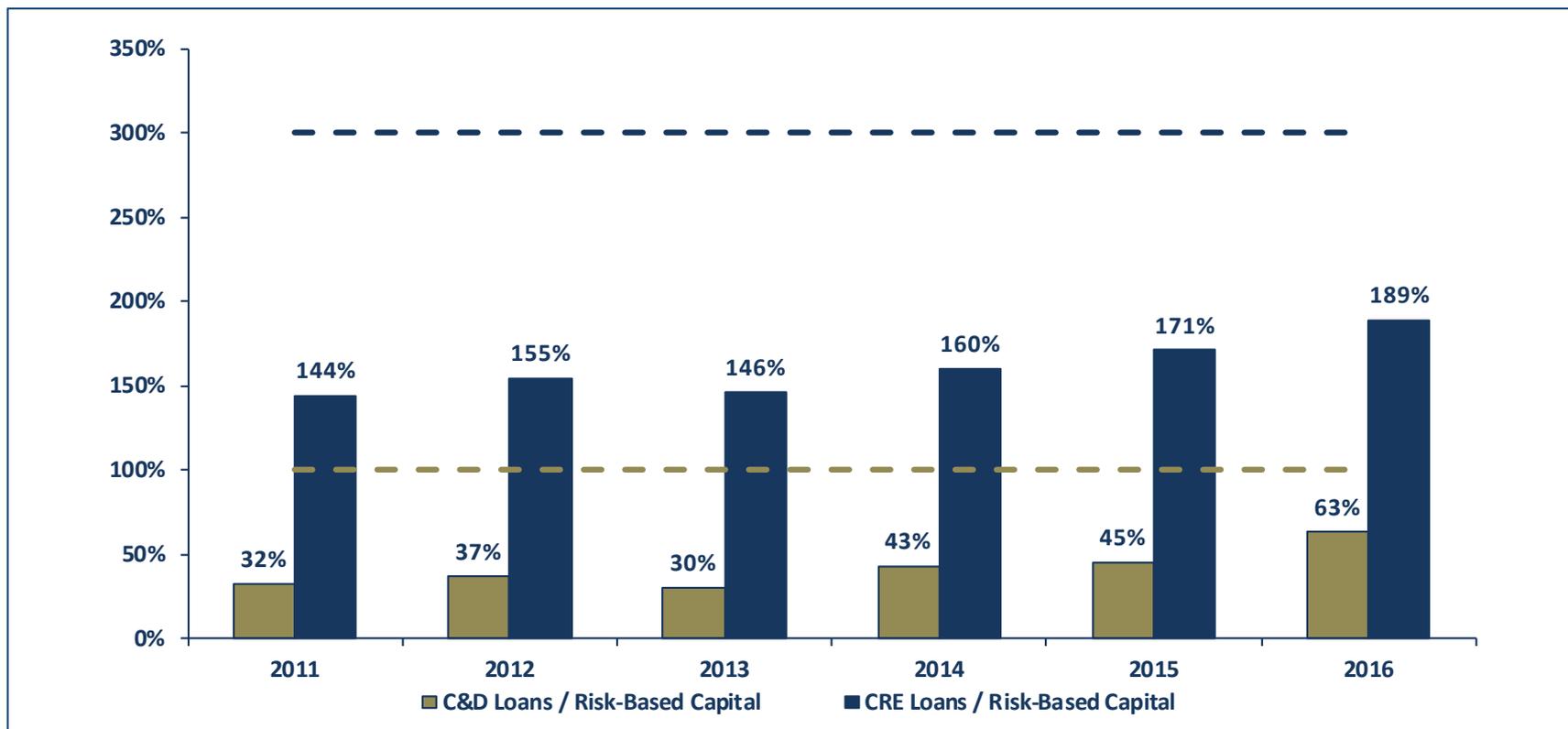
Purchase vs. Refinance (% of Total Production)



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

C&D and CRE & Construction Concentration

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



Data as of 12/31 each respective year
Blue line designates recommended limits from the regulators for CRE loans to risk-based capital
Gold line designates recommended limits from the regulators for C&D loans to risk-based capital

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CAPSTAR

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