

**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): June 11, 2018**

**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.

**ITEM 8.01 Other Events.**

On June 11, 2018, CapStar Financial Holdings, Inc., a Tennessee corporation (“CapStar”), and Athens Bancshares Corporation, a Tennessee corporation (“Athens”), issued a joint press release announcing the entry into an Agreement and Plan of Merger, dated as of June 11, 2018, by and between CapStar and Athens, pursuant to which, subject to the terms and conditions set forth therein, Athens will merge with and into CapStar (the “Merger”), with CapStar as the surviving corporation in the Merger. CapStar also announced that its Board of Directors approved the declaration of a quarterly cash dividend of \$0.04 per share, on CapStar’s common stock and preferred stock, payable on or about August 15, 2018 to shareholders of record as of the close of business on July 31, 2018. A copy of the press release containing the announcement of the Merger and the declaration of the dividend is attached hereto as Exhibit 99.1 to this Report on Form 8-K and is incorporated by reference herein.

In addition, CapStar provided supplemental information regarding the proposed transaction in connection with presentations to investors. A copy of the investor presentation is attached hereto as Exhibit 99.2 to this Report on Form 8-K and is incorporated by reference herein.

\* \* \*

**Forward Looking Statements**

This communication contains “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements may include: management plans relating to the proposed transaction; the expected timing of the completion of the proposed transaction; the ability to complete the proposed transaction; the ability to obtain the required regulatory, shareholder or other approvals; any statements of the plans and objectives of management for future operations, products or services, including the execution of integration plans relating to the proposed transaction; any statements of expectation or belief; projections related to certain financial metrics or other benefits of the transaction; and any statements of assumptions underlying any of the foregoing. Forward-looking statements are typically identified by words such as “believe,” “expect,” “anticipate,” “intend,” “seek,” “plan,” “will,” “would,” “target,” “outlook,” “estimate,” “forecast,” “project” and other similar words and expressions or negatives of these words. Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time and are beyond CapStar’s control. Because forward-looking statements are by their nature, to different degrees, uncertain and subject to assumptions, actual results or future events could differ, possibly materially, from those that CapStar anticipated in its forward-looking statements, and future results could differ materially from historical performance. Factors that could cause or contribute to such differences include, but are not limited to, those included under Item 1A “Risk Factors” in CapStar’s Annual Report on Form 10-K for the year ended December 31, 2017 and those disclosed in CapStar’s other periodic reports filed with the Securities and Exchange Commission (the “SEC”), as well as the possibility that expected benefits of the proposed transaction may not materialize in the time frame expected or at all, or may be more costly to achieve; the proposed transaction may not be timely completed, if at all; that prior to the completion of the proposed transaction or thereafter, CapStar’s and Athens’s respective businesses may not perform as expected due to transaction-related uncertainty or other factors; that the parties are unable to successfully implement integration strategies related to the proposed transaction; that required regulatory, shareholder or other approvals are not obtained or other customary closing conditions are not satisfied in a timely manner or at all; reputational risks and the reaction of the companies’ shareholders, customers, employees or other constituents to the proposed transaction; and diversion of management time on merger-related matters. These risks, as well as other risks associated with the proposed transaction, will be more fully discussed in the joint proxy statement/prospectus that will be included in the registration statement on Form S-4 that will be filed with the SEC in connection with the proposed transaction. While the list of factors presented here is, and the list of factors presented in the registration statement on Form S-4 will be, considered representative, no such lists should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. For any forward-looking statements made in this communication or in any documents, CapStar claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Forward-looking statements speak only as of the date they are made. CapStar does not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date on which the forward-looking statement is made.

### **Important Additional Information and Where to Find It**

In connection with the proposed merger, CapStar will file with the SEC a registration statement on Form S-4 that will include a joint proxy statement of CapStar and Athens and a prospectus of CapStar, as well as other relevant documents concerning the proposed transaction. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. **SHAREHOLDERS OF CAPSTAR AND ATHENS ARE URGED TO READ THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE MERGER WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** When filed, this document and other documents relating to the merger filed by CapStar with the SEC can be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov). These documents also can be obtained free of charge by accessing CapStar's website at <https://ir.capstarbank.com/> under the tab "Financials & Filings." Alternatively, these documents, when available, can be obtained free of charge from CapStar upon written request to CapStar Financials Holding, Inc., 1201 Demonbreun Street, Suite 700, Nashville, Tennessee 37203, Attention: Investor Relations or by calling (615) 732-6455.

### **Participants in the Solicitation**

CapStar, Athens, and certain of their respective directors, executive officers and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding CapStar's directors and executive officers is available in its definitive proxy statement, which was filed with the SEC on March 19, 2018, and certain of its Current Reports on Form 8-K. Information about the directors and executive officers of Athens will be set forth in the joint proxy statement/prospectus when it is filed with the SEC. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials filed with the SEC. Free copies of this document may be obtained as described in the preceding paragraph.

**ITEM 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	<a href="#">Joint Press Release of CapStar Financial Holdings, Inc. and Athens Bancshares Corporation, dated June 11, 2018</a>
99.2	<a href="#">Investor Presentation regarding the announced merger agreement between CapStar Financial Holdings, Inc. and Athens Bancshares Corporation, dated June 11, 2018</a>

**SIGNATURE**

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

Name: Robert B. Anderson

Title: Chief Financial Officer and Chief Administrative Officer

Date: June 12, 2018



FOR IMMEDIATE RELEASE

For more information, contact:  
 Rob Anderson (615) 732-6470  
 randerson@capstarbank.com

Jeff Cunningham (423) 649-1445  
 jeffc@athensfederal.com

## CapStar Financial Holdings, Inc. and Athens Bancshares Corporation Agree to Merge

### CapStar Initiates Regular Quarterly Dividend

**NASHVILLE and ATHENS, Tenn. (June 11, 2018)** — CapStar Financial Holdings, Inc. (“CapStar”) (NASDAQ: CTSR), a bank holding company that operates primarily through its wholly owned subsidiary, CapStar Bank, and Athens Bancshares Corporation (“Athens”) (OTCQX: AFCB), the bank holding company for Athens Federal Community Bank, National Association (“Athens Federal”), today announced that they have entered into a definitive agreement for Athens to merge with and into CapStar and for Athens Federal to merge with and into CapStar Bank. The transaction has been unanimously approved by the boards of directors of CapStar and Athens.

In the merger, Athens shareholders will receive 2.864 shares of CapStar common stock for each share of Athens common stock. The all-stock transaction is valued at approximately \$113.5 million, or \$57.54 per share of Athens common stock, based on the closing price of CapStar common stock on June 11, 2018.

Also, in view of CapStar’s strong financial performance and the anticipated performance of the combined company, on June 11, 2018, board of directors of CapStar approved the initiation of regular quarterly cash dividends to its shareholders. A quarterly dividend of \$0.04 per share will be paid on or about August 15, 2018 to all shareholders of record of CapStar’s common stock and preferred stock as of the close of business on July 31, 2018.

Headquartered in Athens, Tennessee, Athens Federal is a storied community bank with more than 80 years of history serving individuals, families and businesses through its 10 banking offices located in Southeast Tennessee. As of March 31, 2018, Athens had approximately \$482.3 million in total assets, \$422.2 million in deposits and \$334.5 million in gross loans.

“We have a deep respect for Athens, its valuable customers and its dedicated employees. Both of our organizations are built around customer-centric strategies and we understand the importance of delivering increasing value to customers, colleagues, communities and shareholders,” said CapStar President and Chief Executive Officer Claire W. Tucker. “This merger is consistent with our mission of building a high performing bank in Tennessee. We believe this transaction will offer customers and employees of both banks even greater strength and resources while maintaining our commitments to the communities in which we serve.”

“This partnership will greatly benefit our customers and our communities. We expect the shareholders of Athens will benefit from the combined companies’ strong financial performance and growth opportunities going forward,” said Athens President and Chief Executive Officer Jeffrey L. Cunningham. “This is a great partnership – two companies with the same shared values and goals. We are excited.”

“We are proud of what we have accomplished at Athens Federal and we look forward to working with our friends at CapStar for the benefit of all our stakeholders and communities,” said Athens Chairman Larry D. Wallace.

Mr. Cunningham will continue to provide valuable service to the combined company in a senior executive role, as the Executive Vice President of Community Banking Strategy. Michael Hutsell, Athens’s Chief Operating Officer and Chief Financial Officer, and Jay Leggett, Athens’s Cleveland City President, will also continue with CapStar in senior roles, bringing to bear their considerable experience and expertise in serving Athens’ communities.

Upon completion of the merger, two members of the Athens board will join the boards of directors of CapStar and CapStar Bank.

CapStar and Athens play an active role in supporting their communities and will continue this commitment in the markets the combined companies will serve. As a sign of this commitment CapStar has agreed to contribute \$1.5 million to the Athens Federal Foundation over the next four years.

Completion of the transaction is subject to customary closing conditions, including the receipt of required shareholder and regulatory approvals. The transaction is expected to close during the fourth quarter of 2018.

### Advisors

Keefe, Bruyette & Woods, Inc. and Sandler O’Neill & Partners, L.P. served as financial advisors, and Wachtell, Lipton, Rosen, & Katz served as legal advisor, to CapStar in this transaction. Banks Street Partners, LLC served as financial advisor, and Luse Gorman, PC served as legal advisor, to Athens in this transaction.

## Conference Call

CapStar will also host a conference call and webcast at 8 a.m. Central Time on June 12, 2018 to discuss the transaction and related matters. Members of the public who would like to listen to the conference call should dial (844) 412-1002. The Conference ID number is 2069445.

A live webcast will be available on CapStar's website at [www.ir.capstarbank.com](http://www.ir.capstarbank.com). An archived version of the webcast will be available in the same location after the live call has ended.

## About CapStar

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.

## About Athens

Athens Bancshares Corporation is the parent holding company of Athens Federal Community Bank, National Association, a FDIC-insured national bank organized in 1934. Athens Federal is headquartered in Athens, Tennessee, and provides financial services to individuals, families and businesses through its 10 offices located in Southeast Tennessee.

## Forward Looking Statements

This press release contains "forward-looking statements" within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements may include: management plans relating to the proposed transaction; the expected timing of the completion of the proposed transaction; the ability to complete the proposed transaction; the ability to obtain the required regulatory, shareholder or other approvals; any statements of the plans and objectives of management for future operations, products or services, including the execution of integration plans relating to the proposed transaction; any statements of expectation or belief; projections related to certain financial metrics or other benefits of the transaction; and any statements of assumptions underlying any of the foregoing. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "seek," "plan," "will," "would," "target," "outlook," "estimate," "forecast," "project" and other similar words and expressions or negatives of these words. Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time and are beyond CapStar's and Athens' control. Because forward-looking statements are by their nature, to different degrees, uncertain and subject to assumptions, actual results or future events could differ, possibly materially, from those that CapStar and Athens anticipated in the forward-looking statements, and future results could differ materially from historical performance. Factors that could cause or contribute to such differences include, but are not limited to, those included under Item 1A "Risk Factors" in CapStar's Annual Report on Form 10-K for the year ended December 31, 2017 and those disclosed in CapStar's other periodic reports filed with the Securities and Exchange Commission (the "SEC"), as well as the possibility that expected benefits of the proposed transaction may not materialize in the time frame expected or at all, or may be more costly to achieve; the proposed transaction may not be timely completed, if at all; that prior to the completion of the proposed transaction or thereafter, CapStar's and Athens's respective businesses may not perform as expected due to transaction-related uncertainty or other factors; that the parties are unable to successfully implement integration strategies related to the proposed transaction; that required regulatory, shareholder or other approvals are not obtained or other customary closing conditions are not satisfied in a timely manner or at all; reputational risks and the reaction of the companies' shareholders, customers, employees or other constituents to the proposed transaction; and diversion of management time on merger-related matters. These risks, as well as other risks associated with the proposed transaction, will be more fully discussed in the joint proxy statement/prospectus that will be included in the registration statement on Form S-4 that will be filed with the SEC in connection with the proposed transaction. While the list of factors presented here is, and the list of factors presented in the registration statement on Form S-4 will be, considered representative, no such lists should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. For any forward-looking statements made in this press release or in any documents, CapStar and Athens claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Forward-looking statements speak only as of the date they are made. Neither CapStar nor Athens undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date on which the forward-looking statement is made.

**Important Additional Information and Where to Find It**

In connection with the proposed merger, CapStar will file with the SEC a registration statement on Form S-4 that will include a joint proxy statement of CapStar and Athens and a prospectus of CapStar, as well as other relevant documents concerning the proposed transaction. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. SHAREHOLDERS OF CAPSTAR AND ATHENS ARE URGED TO READ THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE MERGER WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. When filed, this document and other documents relating to the merger filed by CapStar with the SEC can be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov). These documents also can be obtained free of charge by accessing CapStar's website at <https://ir.capstarbank.com/> under the tab "Financials & Filings." Alternatively, these documents, when available, can be obtained free of charge from CapStar upon written request to CapStar Financials Holding, Inc., 1201 Demonbreun Street, Suite 700, Nashville, Tennessee 37203, Attention: Investor Relations or by calling (615) 732-6455.

**Participants in the Solicitation**

CapStar, Athens, and certain of their respective directors, executive officers and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding CapStar's directors and executive



officers is available in its definitive proxy statement, which was filed with the SEC on March 19, 2018, and certain of its Current Reports on Form 8-K. Information about the directors and executive officers of Athens will be set forth in the joint proxy statement/prospectus when it is filed with the SEC. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials filed with the SEC. Free copies of this document may be obtained as described in the preceding paragraph.

###



**CAPSTAR**™

**FINANCIAL HOLDINGS, INC.**

**Nasdaq: CSTR**

**Creating a High Performing Tennessee Banking Franchise:  
CapStar Financial Holdings Partnership with Athens Bancshares Corporation**



**June 11, 2018**

# 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, tangible common 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.

# Safe Harbor Statements

## Forward Looking Statements

This presentation contains "forward-looking statements" within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements may include: management plans relating to the proposed transaction; the expected timing of the completion of the proposed transaction; the ability to complete the proposed transaction; the ability to obtain the required regulatory, shareholder or other approvals; any statements of the plans and objectives of management for future operations, products or services, including the execution of integration plans relating to the proposed transaction; any statements of expectation or belief; projections related to certain financial metrics or other benefits of the transaction; and any statements of assumptions underlying any of the foregoing. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "seek," "plan," "will," "would," "target," "outlook," "estimate," "forecast," "project" and other similar words and expressions or negatives of these words. Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time and are beyond CapStar's control. Because forward-looking statements are by their nature, to different degrees, uncertain and subject to assumptions, actual results or future events could differ, possibly materially, from those that CapStar anticipated in its forward-looking statements, and future results could differ materially from historical performance. Factors that could cause or contribute to such differences include, but are not limited to, those included under Item 1A "Risk Factors" in CapStar's Annual Report on Form 10-K for the year ended December 31, 2017 and those disclosed in CapStar's other periodic reports filed with the Securities and Exchange Commission (the "SEC"), as well as the possibility that expected benefits of the proposed transaction may not materialize in the time frame expected or at all, or may be more costly to achieve; the proposed transaction may not be timely completed, if at all; that prior to the completion of the proposed transaction or thereafter, CapStar's and Athens's respective businesses may not perform as expected due to transaction-related uncertainty or other factors; that the parties are unable to successfully implement integration strategies related to the proposed transaction; that required regulatory, shareholder or other approvals are not obtained or other customary closing conditions are not satisfied in a timely manner or at all; reputational risks and the reaction of the companies' shareholders, customers, employees or other constituents to the proposed transaction; and diversion of management time on merger-related matters. These risks, as well as other risks associated with the proposed transaction, will be more fully discussed in the joint proxy statement/prospectus that will be included in the registration statement on Form S-4 that will be filed with the SEC in connection with the proposed transaction. While the list of factors presented here is, and the list of factors presented in the registration statement on Form S-4 will be, considered representative, no such lists should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. For any forward-looking statements made in this presentation or in any documents, CapStar claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements speak only as of the date they are made. CapStar does not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date on which the forward-looking statement is made.

## Important Additional Information and Where to Find It

In connection with the proposed merger, CapStar will file with the SEC a registration statement on Form S-4 that will include a joint proxy statement of CapStar and Athens and a prospectus of CapStar, as well as other relevant documents concerning the proposed transaction. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. **SHAREHOLDERS OF CAPSTAR AND ATHENS ARE URGED TO READ THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE MERGER WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** When filed, this document and other documents relating to the merger filed by CapStar with the SEC can be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov). These documents also can be obtained free of charge by accessing CapStar's website at <https://ir.capstarbank.com/> under the tab "Financials & Filings." Alternatively, these documents, when available, can be obtained free of charge from CapStar upon written request to CapStar Financials Holding, Inc., 1201 Demonbreun Street, Suite 700, Nashville, Tennessee 37203, Attention: Investor Relations or by calling (615) 732-6455.

## Participants in the Solicitation

CapStar, Athens, and certain of their respective directors, executive officers and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding CapStar's directors and executive officers is available in its definitive proxy statement, which was filed with the SEC on March 19, 2018, and certain of its Current Reports on Form 8-K. Information about the directors and executive officers of Athens will be set forth in the joint proxy statement/prospectus when it is filed with the SEC. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials filed with the SEC. Free copies of this document may be obtained as described in the preceding paragraph.

# Transaction Rationale

## Key Themes

- ❖ Combines two strong and growing institutions with a common vision
- ❖ Brings together seasoned bank operators with talented, motivated workforces, and compatible corporate cultures

## Strategic Rationale

- ❖ Athens represents an attractive low beta deposit franchise with excess liquidity and capital to support growth
- ❖ Creates a leading Tennessee banking franchise – scale, growth, asset sensitive profile
- ❖ Bolsters presence with full service banking in highly attractive Eastern TN corridor
- ❖ Enhances lending expertise with complementary product sets

## Financially Attractive

- ❖ Projected double digit EPS accretion in 2020 with fully-phased in cost savings
- ❖ Reasonable tangible book value per share dilution with earnback of less than 4 years
- ❖ Internal rate of return in excess of 20%
- ❖ Accretive pro forma risk-based capital ratios
- ❖ Accelerates achievement of near-term growth and profitability targets

## Low-risk Transaction

- ❖ High level of management continuity and buy-in throughout the combined organization
- ❖ Athens' senior management will continue in key leadership positions
- ❖ Proven, strong credit risk management practices at both institutions

# Delivering on Stated M&A Objectives

## Cultural Fit

- ❖ Strong conviction in the ability of management and highly skilled workforce to collaborate and achieve long-term strategic / financial goals
- ❖ Both Athens and CapStar are focused on employees, customers, communities and shareholders – we share a vision to build a high-performing financial institution

## Strengthened Funding Profile

- ❖ Significantly improves deposit composition, stability, market share, and cost of funds
- ❖ Adds to balance sheet liquidity and capacity to fund future growth

## Adjacent Markets

- ❖ A natural extension – Athens maintains a community banking franchise in the attractive Eastern Tennessee corridor; complementary to the commercial banking expertise and Mid-Tennessee concentration of CapStar

## New Product Capabilities

- ❖ Athens has developed multiple businesses that further enhance the combination:
  - Investment & Retirement Services
  - Consumer Finance
  - Real Estate Settlement

## Financially Compelling

- ❖ Attractive financial impact and return profile as measured across EPS, tangible book value per share, IRR and pro forma return on assets and equity

# Transaction Summary

<b>Buyer</b>	❖ CapStar Financial Holdings, Inc. (“CapStar” or “CSTR”)
<b>Seller</b>	❖ Athens Bancshares Corporation (“Athens” or “AFCB”)
<b>Consideration</b>	❖ 100% stock consideration; fixed exchange ratio ❖ 2.864 shares of CSTR common stock for each share of AFCB common stock
<b>Transaction Value <sup>(1)</sup></b>	❖ Calculated deal price per share of \$57.54 ❖ Calculated aggregate transaction value of \$113.5 million <sup>(2)</sup>
<b>Pro Forma Ownership</b>	❖ CapStar: 69.3% ❖ Athens: 30.7%
<b>Board Representation</b>	❖ CapStar Financial Holdings to add two Athens directors to its Board
<b>Foundation Contribution</b>	❖ CSTR to make a \$1.5 million cash contribution to the Athens Federal Foundation over a 4-year period
<b>Required Approvals</b>	❖ Customary regulatory approvals ❖ Shareholder approval for both CapStar and Athens
<b>Expected Closing</b>	❖ Anticipated closing in the 4 <sup>th</sup> quarter of 2018

(1) Assumes the CSTR closing price per share of \$20.09 as of June 11, 2018

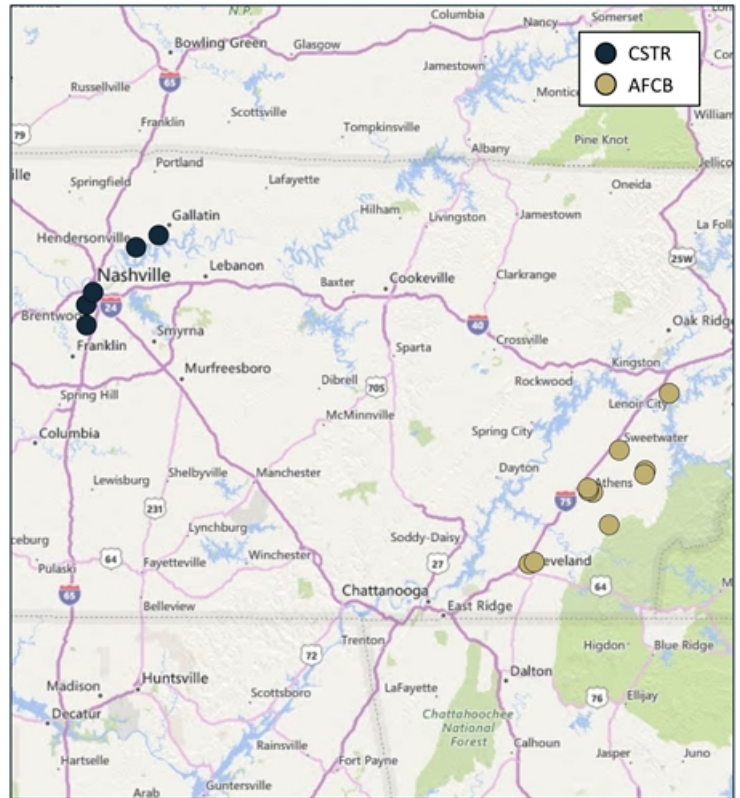
(2) Inclusive of the value of rolled AFCB stock options

# Overview of Athens Bancshares Corporation

## Company Overview (1Q2018)

<b>Company Detail</b>	<ul style="list-style-type: none"> <li>Established in 1934</li> <li>Headquartered in Athens, TN</li> <li>10 branches across eastern Tennessee</li> </ul>
<b>Balance Sheet Position (EOP)</b>	<ul style="list-style-type: none"> <li>Total Assets: \$482 million</li> <li>Net Loans: \$331 million</li> <li>Total Deposits: \$422 million</li> <li>Gross Loans / Deposits: 79.0%</li> </ul>
<b>Capital and Credit</b>	<ul style="list-style-type: none"> <li>Tangible Common Equity / Tangible Assets: 10.44%</li> <li>NPAs / Assets <sup>(1)</sup>: 0.38%</li> <li>NCOs / Average Loans: 0.02%</li> </ul>
<b>Annualized Profitability Metrics</b>	<ul style="list-style-type: none"> <li>ROAA: 1.29%</li> <li>ROAE: 11.60%</li> <li>Efficiency Ratio: 65.2%</li> <li>Net Interest Margin: 4.18%</li> <li>Cost of Deposits: 0.43%</li> </ul>

## Pro Forma Branch Footprint



(1) NPAs / Assets defined as (Nonaccrual Loans + OREO) / Total Assets  
Source for map: S&P Global Market Intelligence



# Meaningful Presence in Key Tennessee Markets

*The proposed transaction will create a \$2.0 billion asset pro forma financial services franchise with top quartile profitability and well capitalized to support future organic and acquisitive growth*

## Deposit Market Share - Tennessee

Rank	Institution	Branch Count	June 2017	
			Total Deposits (\$'000)	Market Share (%)
1	First Horizon National Corp. (TN)	194	22,901,189	15.52
2	Regions Financial Corp. (AL)	222	18,658,605	12.64
3	SunTrust Banks Inc. (GA)	120	13,651,410	9.25
4	Bank of America Corp. (NC)	59	11,459,481	7.77
5	Pinnacle Financial Partners (TN)	47	9,659,039	6.55
6	FB Financial Corp. (TN)	60	3,567,411	2.42
7	U.S. Bancorp (MN)	103	3,221,333	2.18
8	Franklin Financial Network Inc (TN)	15	2,878,087	1.95
9	BB&T Corp. (NC)	42	2,712,809	1.84
10	Wilson Bank Holding Co. (TN)	27	2,022,447	1.37
11	Simmons First National Corp. (AR)	45	1,999,349	1.35
12	Wells Fargo & Co. (CA)	19	1,877,961	1.27
13	Fifth Third Bancorp (OH)	36	1,763,640	1.20
14	Home Federal Bank of Tennessee (TN)	23	1,734,035	1.18
	<i>Pro Forma CapStar</i>	<i>15</i>	<i>1,535,612</i>	<i>1.04</i>
15	Renasant Corp. (MS)	19	1,521,725	1.03
21	CapStar Financial Hlgs Inc. (TN)	5	1,133,845	0.77
52	Athens Bancshares Corporation (TN)	10	401,767	0.27
Total For Institutions In Market		2,084	\$147,559,915	100.00%

## Pro Forma Market Position <sup>(1)</sup>

Rank	Ticker	Company	Headquarter City	Total Assets (\$mm)	TE / TA (%)	MRQ ROAA (%)
1	FBK	FB Financial Corp.	Nashville	4,725	10.05	1.69
2	FSB	Franklin Financial Network Inc	Franklin	4,084	7.24	1.01
3	--	Educational Svcs of Am Inc.	Farragut	3,119	12.19	0.43
4	WBHC	Wilson Bank Holding Co.	Lebanon	2,401	11.07	1.28
5	--	Home Federal Bank of Tennessee	Knoxville	2,166	18.01	0.59
6	<i>CSTR</i>	<i>Pro Forma CapStar</i>	<i>Nashville</i>	<i>~2,000</i>	<i>~10.40%</i>	<i>~1.25%</i>
7	SMBK	SmartFinancial Inc.	Knoxville	1,760	9.26	0.79
8	FIZN	First Citizens Bancshares Inc.	Dyersburg	1,636	8.92	1.17
9	RBNC	Reliant Bancorp Inc.	Brentwood	1,612	9.53	0.81
10	FFMH	First Farmers Merchants Corp.	Columbia	1,372	8.30	0.92
11	--	BancTenn Corp. (2)	Kingsport	1,283	9.28	0.89
12	--	Robertson Holding Co. LP.	Harrogate	1,210	2.80	1.03
13	--	F&M Financial Corp.	Clarksville	1,049	8.59	0.72
14	--	CNB Bancshares Inc. (2)	Sevierville	1,013	10.66	1.17

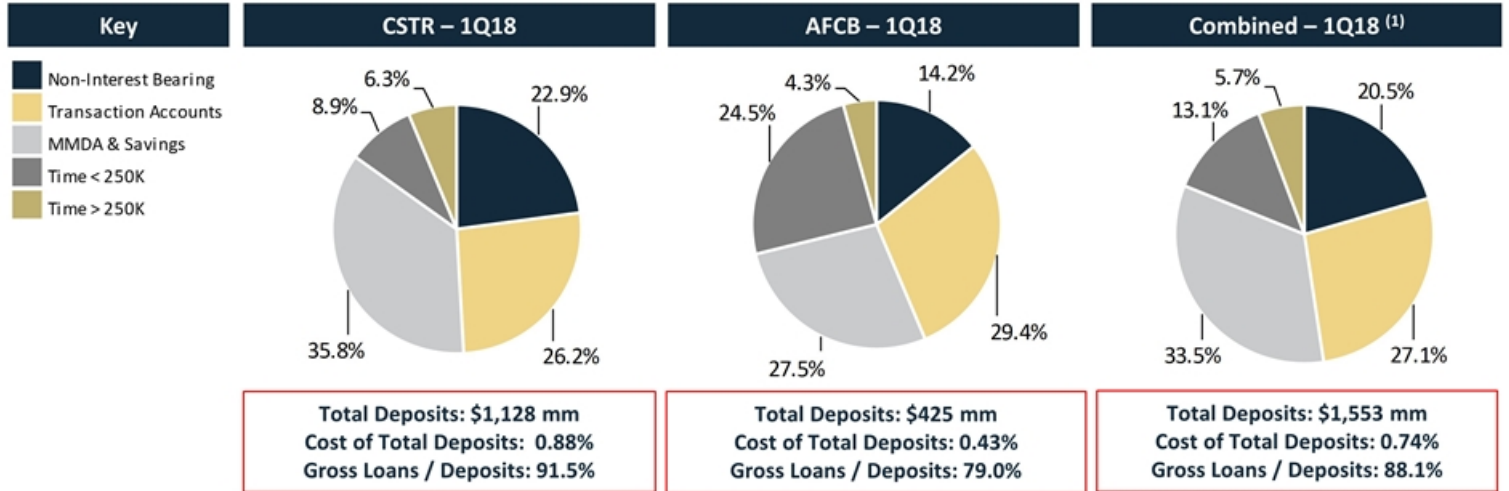
(1) Banks and thrifts headquartered in Tennessee with total assets \$1 billion - \$10 billion; financial data as of or for the twelve months ended March 31, 2018

(2) Profitability metrics adjusted by a 21% tax rate to account for s-corporation status

Source: S&P Global Market Intelligence; Deposit data as of June 30, 2017 presented pro forma for pending or recently completed transactions

# Attractive Funding Profile

- ❖ High quality deposit franchise with a 45 bps lower cost of deposits on an MRQ basis
  - Partnership improves CapStar's cost of deposits 14 bps on a combined basis
- ❖ Enhances overall deposit mix and reliance on non-core funding
- ❖ Provides liquidity to continue to fund loan growth
  - Decreases CapStar's loan / deposit ratio by ~340 bps
- ❖ Diversifies deposit footprint into desirable eastern Tennessee corridor



Source: S&P Global Market Intelligence; Financial data as of March 31, 2018

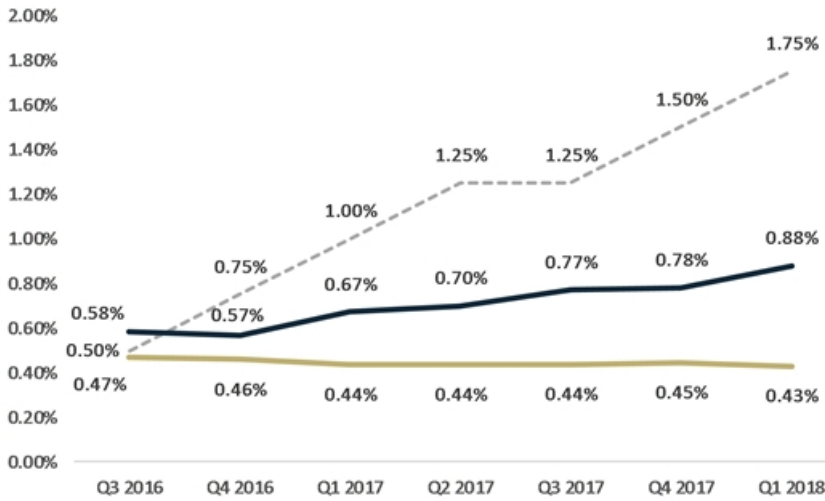
Note: Athens bank level data

(1) Simple summation; excludes any potential purchase accounting adjustments

# Stable Source of Core Funding

- ❖ AFCB's cost of total deposits has trended downward in the increasing rate environment
  - 4 bps decrease in cost of total deposits despite a 125 bps increase in the fed funds rate, resulting in a negative deposit beta
  - Overall deposit portfolio growth of 16% over the same time period

Cost of Total Deposits vs. Fed Funds



Fed Funds Rate - - - - - CSTR Cost of Total Deposits - - - - - AFCB Cost of Total Deposits - - - - -

Deposit Beta <sup>(1)</sup>



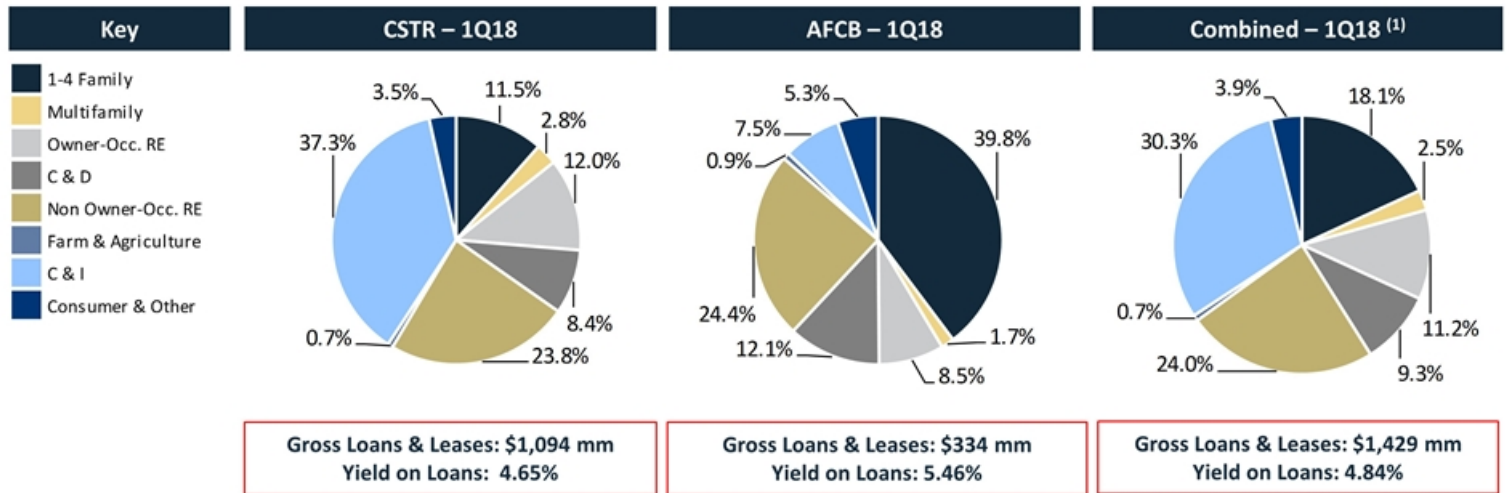
Deposit Growth



Source: S&P Global Market Intelligence; Financial data as of March 31, 2018  
 Note: Athens bank level data  
 (1) Cumulative deposit beta from Q3 2016 – Q1 2018

# A Strong, High Performing Banking Franchise

- ❖ Complementary business mix
- ❖ Diversifies concentrations across industry and geography
- ❖ Broadens product set and introduces new services to better meet customer needs across combined bank
- ❖ Increased ability to be positioned as the lead banking relationship as a \$2bn+ asset institution
- ❖ Lending operations will be supported by improved funding profile
- ❖ Greater scale will help drive further improvements in efficiency and profitability



(1) Simple summation; excludes any potential purchase accounting adjustments  
 Source: S&P Global Market Intelligence; Financial data as of March 31, 2018  
 Note: Athens bank level data

# Transaction Multiples and Key Assumptions

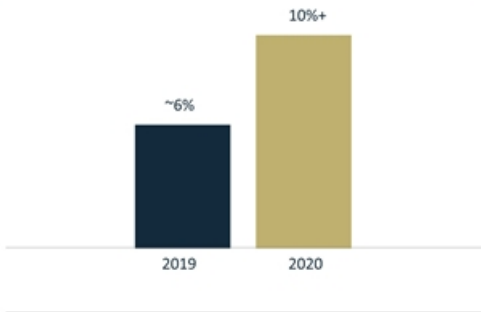
<b>Transaction Multiples <sup>(1)</sup></b>	<ul style="list-style-type: none"> <li>❖ 17.3x LQA EPS</li> <li>❖ 2.09x TBVPS</li> <li>❖ Core deposit premium of 15.7% <sup>(2)</sup></li> </ul>
<b>Cost Savings</b>	<ul style="list-style-type: none"> <li>❖ Pre-tax cost savings of approximately 25% of Athens' non-interest expense</li> <li>❖ Phased-in at approximately 60% in 2019; 100% thereafter</li> </ul>
<b>One-time Transaction Costs</b>	<ul style="list-style-type: none"> <li>❖ \$11.5 million of total pre-tax costs</li> <li>❖ Fully-included in all transaction metrics at closing</li> </ul>
<b>Purchase Accounting / Fair Value Marks</b>	<ul style="list-style-type: none"> <li>❖ Gross credit mark on loans and ORE of (\$4.2) million (non-accreted)</li> <li>❖ Other purchase accounting fair value adjustments equate to a net write-up of \$5.5 million</li> </ul>
<b>Core Deposit Intangible</b>	<ul style="list-style-type: none"> <li>❖ 1.50% core deposit intangible on non-time deposits</li> <li>❖ Amortized sum-of-years digits over 10 years</li> </ul>
<b>Other Transaction Assumptions</b>	<ul style="list-style-type: none"> <li>❖ Revenue synergies identified, but not included in the modeling</li> <li>❖ 21% effective tax rate on transaction adjustments</li> </ul>
<b>Dividend</b>	<ul style="list-style-type: none"> <li>❖ In view of CapStar's strong financial performance and anticipated performance of the combined company, CapStar will be instituting a \$0.04 quarterly dividend (\$0.16 per share annually) payable in Q3'18</li> </ul>

(1) Assumes the CSTR closing price per share of \$20.09 as of June 11, 2018

(2) Core deposits defined as total deposits less time deposits > \$250,000

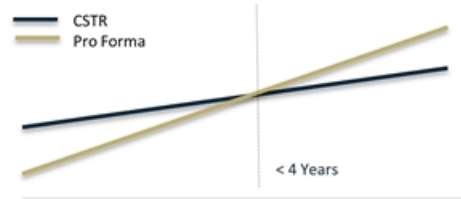
# Estimated Pro Forma Financial Impact

## EPS Accretion <sup>(1)</sup>

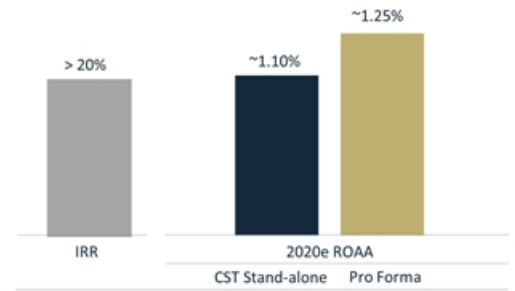


## Tangible Book Value per Share

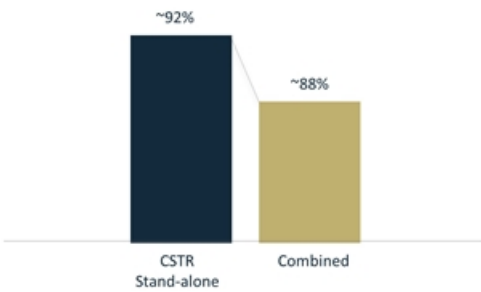
- ❖ ~6.8% TBVPS dilution at close
  - Fully accounts for one-time deal costs
- ❖ < 4 yr earnback using the cross-over method



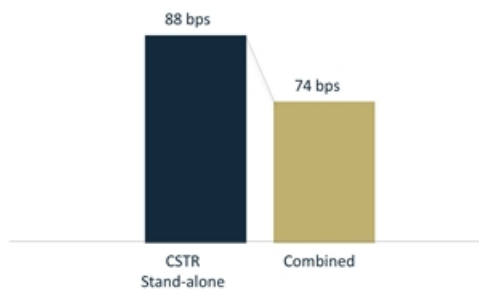
## Returns



## Loan / Deposit Ratio



## Cost of Deposits



## TE/TA



(1) Accretion based upon analyst consensus estimates as of June 11, 2018; Excludes one-time merger related transaction expenses  
Source: S&P Global Market Intelligence; FACTSET

## Summary

- ❖ Combines two institutions built on a common vision of creating a high performing financial institution across the State of Tennessee
- ❖ Significantly accretive to CapStar's deposit base and overall funding needs
- ❖ Financially compelling transaction, resulting in double digit earnings accretion, manageable tangible book value dilution, and an enhanced pro forma capital position
- ❖ Adds diversity – industry, business mix and geography
- ❖ Athens is an established and highly profitable community bank with dominant deposit market share in its primary market
- ❖ Combination will create a strong financial institution with an expanded product set, attractive funding profile and enhanced scale to drive efficiency



**CAPSTAR**™

---

**FINANCIAL HOLDINGS, INC.**