

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): April 26, 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

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 2 – Financial Information

Item 2.02. Results of Operations and Financial Condition.

On April 26, 2018, CapStar Financial Holdings, Inc. (the “Company”) issued an earnings release announcing its financial results for the first quarter ended March 31, 2018. A copy of the earnings release is furnished as Exhibit 99.1 to this Current Report on Form 8-K (this “Report”) and is incorporated herein by reference.

Section 7 – Regulation FD

Item 7.01. Regulation FD Disclosure.

The Company will conduct a conference call at 9:00 a.m. (Central Time) on April 27, 2018 to discuss its financial results for the first quarter ended March 31, 2018. A copy of the presentation to be used for the conference call is furnished as Exhibit 99.2 to this Report and is incorporated herein by reference.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Earnings release issued on April 26, 2018 by CapStar Financial Holdings, Inc.
99.2	Presentation for conference call to be conducted by CapStar Financial Holdings, Inc. on April 27, 2018

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: April 26, 2018

EARNINGS RELEASE

CONTACT

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

**CAPSTAR FINANCIAL HOLDINGS, INC. ANNOUNCES FIRST QUARTER 2018 RESULTS**

NASHVILLE, TN, April 26, 2018/GlobeNewswire/ -- CapStar Financial Holdings, Inc. ("CapStar") (NASDAQ:CSTR) reported net income of \$3.2 million, or \$0.25 per share on a fully diluted basis, for the three months ended March 31, 2018, compared to net income of \$0.33 million, or \$0.03 per share on a fully diluted basis, for the three months ended March 31, 2017.

"In the context of sound, profitable, growth, delivering strong and consistent financial performance remains a priority at CapStar," said Claire W. Tucker, CapStar's president and chief executive officer. "Our performance during the first quarter exemplifies our focus on these objectives, and we remain committed to achieving a sustainable 1.0% return on average assets by the end of the year. CapStar's talented group of bankers continues to leverage their years of experience in the market, providing creative solutions for our clients that reflect the understanding and appreciation of their unique financial service needs."

Soundness

- The allowance for loan losses represented 1.41% of total loans at March 31, 2018 compared to 1.39% at March 31, 2017.
- Non-performing assets as a percentage of total loans and other real estate owned was 0.13% at March 31, 2018 compared to 1.36% at March 31, 2017.
- Annualized net charge-offs (recoveries) to average loans was (0.07%) for the three months ended March 31, 2018 compared to 0.43% for the same period in 2017.
- The total risk based capital ratio was 12.22% at March 31, 2018 compared to 12.13% at March 31, 2017.

Profitability

- Return on average assets ("ROAA") for the three months ended March 31, 2018 was 0.96% compared to 0.10% for the same period in 2017.
 - The net interest margin ("NIM") for the three months ended March 31, 2018 was 3.37% compared to 3.12% for the same period in 2017.
 - The efficiency ratio for the three months ended March 31, 2018 was 68.8% compared to 69.4% for the same period in 2017.
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Growth

- Average gross loans for the quarter ended March 31, 2018 increased 0.9%, to \$983.5 million, compared to \$974.4 million for the same period in 2017.
- Average demand deposits for the quarter ended March 31, 2018 increased 28.5%, to \$270.3 million, compared to \$210.3 million for the same period in 2017.
- Average total assets for the quarter ended March 31, 2018 increased 0.8%, to \$1.35 billion, compared to \$1.34 billion for the same period in 2017.

“After a couple of quarters of sluggish loan growth and elevated payoffs, we are pleased to see the rebound in loan growth, as we posted a record \$84 million for end of period quarterly loan growth,” said Rob Anderson, chief financial officer and chief administrative officer of CapStar.

Conference Call and Webcast Information

CapStar will host a conference call and webcast at 9:00 a.m. Central Time on Friday, April 27, 2018. During the call, management will review the first quarter results and operational highlights. Interested parties may listen to the call by dialing (844) 412-1002. The conference ID number is 4796055. A simultaneous webcast may be accessed on CapStar’s website at ir.capstarbank.com by clicking on “News & Events”. An archived version of the webcast will be available in the same location shortly after the live call has ended.

About CapStar Financial Holdings, Inc.

CapStar Financial Holdings, Inc. is a bank holding company headquartered in Nashville, Tennessee, and operates primarily through its wholly owned subsidiary, CapStar Bank, a Tennessee-chartered state bank. CapStar Bank is a commercial bank that seeks to establish and maintain comprehensive relationships with its clients by delivering customized and creative banking solutions and superior client service. As of March 31, 2018, on a consolidated basis, CapStar had total assets of \$1.4 billion, gross loans of \$1.0 billion, total deposits of \$1.1 billion, and shareholders’ equity of \$148.7 million. Visit www.capstarbank.com for more information.

Forward-Looking Statements

Certain statements in this earnings release are forward-looking statements that reflect CapStar’s current views with respect to, among other things, future events and CapStar’s 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,” “achieve,” “estimate,” “intend,” “plan,” “project,” “projection,” “forecast,” “roadmap,” “goal,” “guidance,” “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 CapStar’s industry, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond CapStar’s control. The inclusion of these forward-looking statements should not be regarded as a representation by CapStar or any other person that such expectations, estimates and projections will be achieved. Accordingly, CapStar cautions 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 CapStar believes 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 CapStar’s actual results to differ materially from those indicated in these forward-looking statements, including, but not limited to, any factors identified in this earnings release as well as those factors that are detailed from time to time in CapStar’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, 2017 under the headings “Item 1A. Risk Factors” and “Cautionary Note Regarding Forward Looking Statements” 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 CapStar’s 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 earnings release, and CapStar does 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 CapStar to predict their occurrence or how they will affect CapStar.

Non-GAAP Disclaimer

This earnings release includes the following financial measures that were prepared other than in accordance with generally accepted accounting principles in the United States (“non-GAAP financial measure”): adjusted net income, adjusted diluted net income per share, adjusted return on average assets, adjusted return on average tangible common equity and tangible book value per share. These non-GAAP financial measures (i) provide useful information to management and investors that is supplementary to CapStar’s financial condition, results of operations and cash flows computed in accordance with GAAP, (ii) enable a more complete understanding of factors and trends affecting CapStar’s business, and (iii) allow investors to evaluate CapStar’s performance in a manner similar to management, the financial services industry, bank stock analysts and bank regulators; however, CapStar acknowledges that these non-GAAP financial measures have a number of limitations. As such, you should not view these non-GAAP financial measures 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 below for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measure.

CAPSTAR FINANCIAL HOLDINGS, INC. AND SUBSIDIARY

Consolidated Statements of Income (unaudited) (dollars in thousands, except share data)

First Quarter 2018 Earnings Release

	Three Months Ended March 31,	
	2018	2017
Interest income:		
Loans, including fees	\$ 12,234	\$ 10,467
Securities:		
Taxable	876	1,003
Tax-exempt	284	326
Federal funds sold	20	2
Restricted equity securities	129	76
Interest-bearing deposits in financial institutions	201	105
Total interest income	13,744	11,979
Interest expense:		
Interest-bearing deposits	754	617
Savings and money market accounts	1,005	815
Time deposits	649	471
Federal funds purchased	1	4
Federal Home Loan Bank advances	489	140
Total interest expense	2,898	2,047
Net interest income	10,846	9,932
Provision for loan losses	678	3,405
Net interest income after provision for loan losses	10,168	6,527
Noninterest income:		
Service charges on deposit accounts	402	329
Loan commitment fees	387	236
Net gain (loss) on sale of securities	—	(6)
Tri-Net fees	528	84
Mortgage banking income	1,313	1,216
Other noninterest income	460	275
Total noninterest income	3,090	2,134
Noninterest expense:		
Salaries and employee benefits	6,257	5,086
Data processing and software	798	621
Professional fees	474	365
Occupancy	521	449
Equipment	539	496
Regulatory fees	203	307
Other operating	788	1,052
Total noninterest expense	9,580	8,376
Income before income taxes	3,678	285
Income tax (benefit) expense	483	(47)
Net income	\$ 3,195	\$ 332
Per share information:		
Basic net income per share of common stock	\$ 0.27	\$ 0.03
Diluted net income per share of common stock	\$ 0.25	\$ 0.03
Weighted average shares outstanding:		
Basic	11,664,467	11,210,948
Diluted	12,975,981	12,784,117

This information is preliminary and based on company data available at the time of the presentation.

CAPSTAR FINANCIAL HOLDINGS, INC. AND SUBSIDIARY

Selected Quarterly Financial Data (unaudited) (dollars in thousands, except share data)

First Quarter 2018 Earnings Release

	Five Quarter Comparison				
	3/31/18	12/31/17	9/30/17	6/30/17	3/31/17
Income Statement Data:					
Net interest income	\$ 10,846	\$ 10,518	\$ 10,843	\$ 10,571	\$ 9,932
Provision for loan losses	678	(30)	(195)	9,690	3,405
Net interest income after provision for loan losses	10,168	10,548	11,038	881	6,527
Treasury management and other deposit service charges	402	419	427	342	329
Loan commitment fees	387	124	224	188	236
Net gain (loss) on sale of securities	—	(108)	9	40	(6)
Tri-Net fees	528	254	367	297	84
Mortgage banking income	1,313	1,621	2,030	1,370	1,216
Other noninterest income	458	426	315	429	275
Total noninterest income	3,088	2,736	3,372	2,666	2,134
Salaries and employee benefits	6,257	5,411	5,119	4,784	5,086
Data processing and software	798	746	709	711	621
Professional fees	474	473	336	350	365
Occupancy	521	507	531	539	449
Equipment	539	467	564	544	496
Regulatory fees	203	234	270	301	307
Other operating	788	861	945	988	1,052
Total noninterest expense	9,580	8,699	8,474	8,217	8,376
Net income (loss) before income tax expense	3,676	4,585	5,936	(4,670)	285
Income tax (benefit) expense	483	4,494	1,516	(1,328)	(47)
Net income (loss)	\$ 3,193	\$ 91	\$ 4,420	\$ (3,342)	\$ 332
Weighted average shares - basic	11,664,467	11,403,689	11,279,364	11,226,216	11,210,948
Weighted average shares - diluted	12,975,981	12,938,288	12,750,423	12,740,104	12,784,117
Net income (loss) per share, basic	\$ 0.27	\$ 0.01	\$ 0.39	\$ (0.30)	\$ 0.03
Net income (loss) per share, diluted	0.25	0.01	0.35	(0.26)	0.03
Balance Sheet Data (at period end):					
Cash and cash equivalents	\$ 51,125	\$ 82,797	\$ 69,789	\$ 48,093	\$ 60,039
Securities available-for-sale	189,580	192,621	146,600	155,663	188,516
Securities held-to-maturity	3,752	3,759	45,635	46,458	46,855
Loans held for sale	62,286	74,093	53,225	73,573	35,371
Total loans	1,031,821	947,537	974,530	996,617	1,003,434
Allowance for loan losses	(14,563)	(13,721)	(14,122)	(12,454)	(13,997)
Total assets	1,382,745	1,344,429	1,338,559	1,371,626	1,381,703
Non-interest-bearing deposits	258,161	301,742	250,007	231,169	223,450
Interest-bearing deposits	869,392	818,124	841,488	889,816	934,546
Federal Home Loan Bank advances	100,000	70,000	95,000	105,000	75,000
Total liabilities	1,234,052	1,197,483	1,194,355	1,233,596	1,241,491
Shareholders' equity	\$ 148,693	\$ 146,946	\$ 144,204	\$ 138,031	\$ 140,211
Total shares of common stock outstanding	11,773,358	11,582,026	11,346,498	11,235,255	11,218,328
Total shares of preferred stock outstanding	878,049	878,049	878,049	878,049	878,049
Book value per share of common stock	\$ 11.87	\$ 11.91	\$ 11.92	\$ 11.48	\$ 11.70
Tangible book value per share of common stock *	11.34	11.37	11.36	10.93	11.14
Market value per share of common stock (1)	\$ 18.83	\$ 20.77	\$ 19.58	\$ 17.74	\$ 19.07
Capital ratios:					
Total risk based capital	12.22%	12.52%	12.41%	11.51%	12.13%
Tier 1 risk based capital	11.11%	11.41%	11.28%	10.54%	11.01%
Common equity tier 1 capital	10.43%	10.70%	10.58%	9.86%	10.32%
Leverage	10.91%	10.77%	10.36%	9.77%	10.37%

*This metric is a non-GAAP financial measure. See below for a reconciliation to the most directly comparable GAAP financial measure.

This information is preliminary and based on company data available at the time of the presentation.

CAPSTAR FINANCIAL HOLDINGS, INC. AND SUBSIDIARY

Selected Quarterly Financial Data (unaudited) (dollars in thousands, except share data)

First Quarter 2018 Earnings Release

	Five Quarter Comparison				
	3/31/18	12/31/17	9/30/17	6/30/17	3/31/17
Average Balance Sheet Data:					
Cash and cash equivalents	\$ 60,965	\$ 64,850	\$ 59,352	\$ 62,002	\$ 58,925
Investment securities	203,274	202,818	207,926	227,431	237,084
Loans held for sale	68,084	66,311	67,886	34,690	28,359
Loans	983,496	956,441	991,238	1,028,968	974,350
Assets	1,351,129	1,329,621	1,367,993	1,393,331	1,340,237
Interest bearing deposits	840,871	827,732	857,344	882,721	933,329
Deposits	1,111,182	1,081,380	1,094,500	1,111,833	1,143,636
Federal Home Loan Bank advances	84,533	92,554	123,315	128,901	43,837
Liabilities	1,202,854	1,181,954	1,226,438	1,250,544	1,198,686
Shareholders' equity	148,276	147,667	141,556	142,787	141,551
Performance Ratios:					
Annualized return on average assets	0.96%	0.03%	1.28%	-0.96%	0.10%
Annualized return on average equity	8.74%	0.25%	12.38%	-9.39%	0.95%
Net interest margin	3.37%	3.26%	3.26%	3.15%	3.12%
Annualized Non-interest income to average assets	0.93%	0.82%	0.98%	0.77%	0.65%
Efficiency ratio	68.8%	65.6%	59.6%	62.1%	69.4%
Loans by Type (at period end):					
Commercial and industrial	\$ 408,353	\$ 373,248	\$ 394,600	\$ 406,636	\$ 420,825
Commercial real estate - owner occupied	131,741	101,132	103,183	97,634	92,212
Commercial real estate - non-owner occupied	258,016	249,489	263,594	288,124	268,743
Construction and development	91,953	82,586	79,951	62,152	74,007
Consumer real estate	104,224	102,581	100,811	99,750	99,952
Consumer	9,524	6,862	6,289	4,096	4,495
Other	28,750	31,984	26,461	38,784	43,984
Asset Quality Data:					
Allowance for loan losses to total loans	1.41%	1.45%	1.45%	1.25%	1.39%
Allowance for loan losses to non-performing loans	1096%	509%	446%	386%	103%
Nonaccrual loans	\$ 1,329	\$ 2,695	\$ 3,165	\$ 3,229	\$ 13,624
Troubled debt restructurings	1,190	1,206	1,222	1,239	1,256
Loans - 90 days past due and accruing	-	231	27	15	-
Total non-performing loans	1,329	2,695	3,165	3,229	13,624
OREO and repossessed assets	-	-	-	-	-
Total non-performing assets	1,329	2,695	3,165	3,229	13,624
Non-performing loans to total loans	0.13%	0.28%	0.32%	0.32%	1.36%
Non-performing assets to total assets	0.10%	0.20%	0.24%	0.24%	0.99%
Non-performing assets to total loans and OREO	0.13%	0.28%	0.32%	0.32%	1.36%
Annualized net charge-offs (recoveries) to average loans	-0.07%	0.15%	-0.75%	4.38%	0.43%
Net charge-offs (recoveries)	\$ (165)	\$ 372	\$ (1,863)	\$ 11,233	\$ 1,041
Interest Rates and Yields:					
Loans	4.74%	4.54%	4.55%	4.29%	4.24%
Securities	2.54%	2.53%	2.40%	2.44%	2.37%
Total interest-earning assets	4.26%	4.06%	4.07%	3.85%	3.77%
Deposits	0.88%	0.78%	0.77%	0.70%	0.67%
Borrowings and repurchase agreements	2.35%	2.04%	1.81%	1.18%	1.30%
Total interest-bearing liabilities	1.27%	1.12%	1.08%	0.92%	0.85%
Other Information:					
Full-time equivalent employees	182	175	168	169	168

This information is preliminary and based on company data available at the time of the presentation.

CAPSTAR FINANCIAL HOLDINGS, INC. AND SUBSIDIARY

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

First Quarter 2018 Earnings Release

	For the Three Months Ended March 31,					
	2018			2017		
	Average Outstanding Balance	Interest Income/Expense	Average Yield/Rate	Average Outstanding Balance	Interest Income/Expense	Average Yield/Rate
Interest-Earning Assets						
Loans (1)	\$ 983,496	\$ 11,484	4.74%	\$ 974,350	\$ 10,194	4.24%
Loans held for sale	68,084	750	4.47%	28,359	273	3.91%
Securities:						
Taxable investment securities (2)	156,287	1,005	2.57%	181,647	1,079	2.38%
Investment securities exempt from federal income tax (3)	46,987	284	2.42%	55,437	326	2.35%
Total securities	203,274	1,289	2.54%	237,084	1,405	2.37%
Cash balances in other banks	48,585	201	1.68%	48,041	105	0.88%
Funds sold	3,539	20	2.28%	1,729	2	0.54%
Total interest-earning assets	1,306,978	13,744	4.26%	1,289,563	11,979	3.77%
Noninterest-earning assets	44,152			50,674		
Total assets	<u>\$ 1,351,130</u>			<u>\$ 1,340,237</u>		
Interest-Bearing Liabilities						
Interest-bearing deposits:						
Interest-bearing transaction accounts	\$ 286,335	754	1.07%	\$ 330,627	617	0.76%
Savings and money market deposits	379,529	1,005	1.07%	434,375	815	0.76%
Time deposits	175,007	649	1.50%	168,326	471	1.13%
Total interest-bearing deposits	840,871	2,408	1.16%	933,328	1,903	0.83%
Borrowings and repurchase agreements	84,644	490	2.35%	45,115	144	1.30%
Total interest-bearing liabilities	925,515	2,898	1.27%	978,443	2,047	0.85%
Noninterest-bearing deposits	270,312			210,308		
Total funding sources	1,195,827			1,188,751		
Noninterest-bearing liabilities	7,027			9,935		
Shareholders' equity	148,276			141,551		
Total liabilities and shareholders' equity	<u>\$ 1,351,130</u>			<u>\$ 1,340,237</u>		
Net interest spread (4)			2.99%			2.92%
Net interest income/margin (5)		<u>\$ 10,846</u>	3.37%		<u>\$ 9,932</u>	3.12%

- (1) Average loan balances include nonaccrual loans. Interest income on loans includes amortization of deferred loan fees, net of deferred loan costs.
- (2) Taxable investment securities include restricted equity securities.
- (3) Balances for investment securities exempt from federal income tax are not calculated on a tax equivalent basis.
- (4) Net interest spread is the average yield on total average interest-earning assets minus the average rate on total average interest-bearing liabilities.
- (5) Net interest margin is net interest income divided by total average interest-earning assets and is presented in the table above on an annualized basis.

This information is preliminary and based on company data available at the time of the presentation.

CAPSTAR FINANCIAL HOLDINGS, INC. AND SUBSIDIARY

Non-GAAP Financial Measures (unaudited) (dollars in thousands except share data)

First Quarter 2018 Earnings Release

	March 31, 2018	December 31, 2017
Tangible Equity:		
Total shareholders' equity	\$ 148,693	\$ 146,946
Less: intangible assets	(6,232)	(6,242)
Tangible equity	<u>\$ 142,461</u>	<u>\$ 140,704</u>
Tangible Common Equity:		
Tangible equity	\$ 142,461	\$ 140,704
Less: preferred equity (par value and additional paid-in capital)	(9,000)	(9,000)
Tangible common equity	<u>\$ 133,461</u>	<u>\$ 131,704</u>
Tangible Book Value per Share of Common Stock:		
Tangible common equity	\$ 133,461	\$ 131,704
Total shares of common stock outstanding	11,773,358	11,582,026
Tangible book value per share of common stock	<u>\$ 11.34</u>	<u>\$ 11.37</u>



CAPSTARTM

FINANCIAL HOLDINGS, INC.

**First Quarter 2018
Earnings Call
April 27, 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. 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,” “guidance,” “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 impact of the Tax Cuts and Job Act of 2017 on the Company and its financial performance and results of operations; 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, 2017 under the headings “Item 1A. Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” 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.

1Q18 Financial Results

Our vision for CapStar is to be a high performing financial institution known for ***sound, profitable, growth***. First quarter results demonstrating execution of this strategy are highlighted below.

- **Soundness:**
 - Allowance for Loan Losses at 1.41% of gross loans
 - NPA's/Loans+ OREO down 15 basis points to 0.13% from the fourth quarter of 2017
 - Net Recovery of \$165K for the quarter
- **Profitability:**
 - Net Income was \$3.2MM and Fully Diluted EPS of \$0.25. ROAA was 0.96%
 - Net Interest Margin expanded to 3.37% from 3.26% in the fourth quarter of 2017
 - Pre-tax Pre-Provision income up 18% over the prior year*
- **Growth:**
 - Record EOP quarterly Loan growth of \$84MM from 4Q17
 - Average DDA increased 29% over the prior year
 - Treasury Management and other Deposit service charges increased 22% over the prior year
 - SBA team liftout (5 FTE)

*Reconciliation provided in non-GAAP tables

Loan Growth

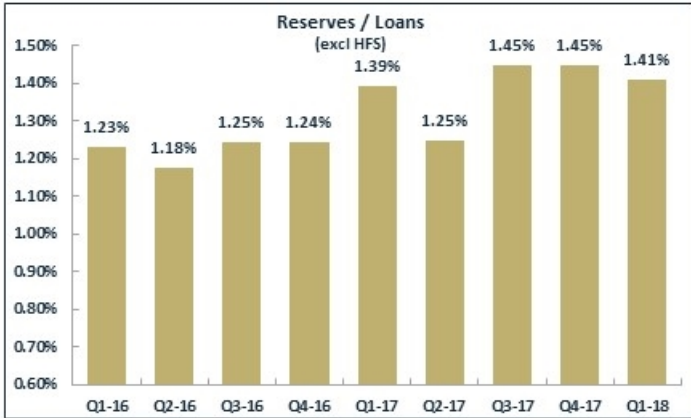


- Record EOP loan growth of \$84MM.
- Growth occurred across all client segments, led by C&I and CRE.
- Unfunded commitments provide opportunity for future growth.

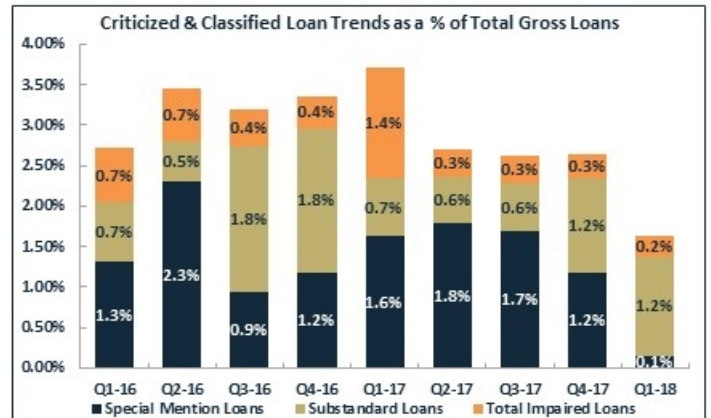
\$ in millions	Q1-18	Change Vs. Q4-17*		Change Vs. Q1-17	
	\$	\$	%	\$	%
Balance Sheet (EOP Balances)					
Commercial and Industrial	\$ 408	\$ 35	38%	\$ (12)	-3%
Commercial Real Estate	390	39	45%	29	8%
Consumer Real Estate	104	2	6%	4	4%
Construction and Land Development	92	9	46%	18	24%
Consumer	10	3	157%	5	112%
Other	28	(4)	-47%	(15)	-35%
Total Loans HFI	\$ 1,032	\$ 84	36%	\$ 28	3%
Loans - Healthcare	162	6	17%	(39)	-19%
Total Loans HFI - excl. Healthcare	\$ 870	\$ 78	40%	\$ 67	8%

*Annualized % change from 4Q17 to 1Q18

Credit Quality



- Net Recovery of \$165K for the quarter.
- NPAs/Loans + OREO down 15 bps vs. last quarter.
- Non-performing loans declined from last quarter.



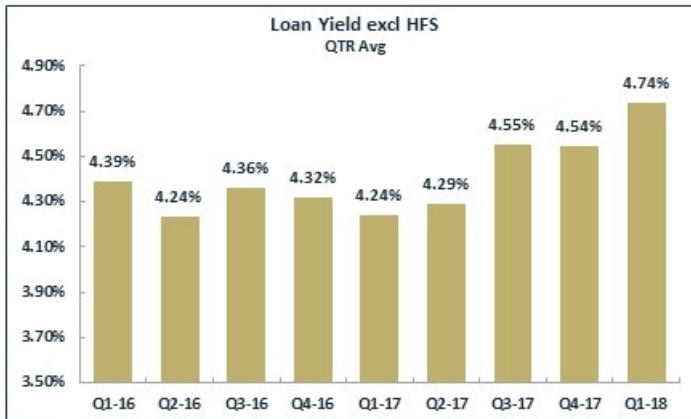
Summary Financials 1Q18

Over the past year, we have repositioned the Balance Sheet for an improved earnings profile.

\$ in millions	Three Months Ended March 31,			
	2018	2017	% Change	
Balance Sheet (Period Averages)				
Cash & Securities	\$ 264	\$ 296	-11%	} Mix shift of cash and securities into higher yielding assets (loans). Total Assets relatively flat to prior year.
Total Loans (Incl HFS)	1,052	1,003	5%	
Total Assets	1,351	1,340	1%	} Growing low-cost deposits and letting higher cost deposits roll off
Deposits	1,111	1,144	-3%	
Demand Deposits	270	210	29%	
Total Equity	148	142	5%	
Income Statement				
Net Interest Income	\$ 10.8	\$ 9.9	9%	← Strategy to diversify fee businesses paying off
Non-Interest Income	3.1	2.1	45%	
Total Revenue	13.9	12.1	15%	← Continued investment for future growth
Provision for Loan Losses	0.7	3.4	-80%	
Non-Interest Expense	9.6	8.4	14%	
Income before Income Taxes	3.7	0.3	1191%	← Positive earnings growth
Income Tax Expense	0.5	(0.0)	-1124%	
Net Income	3.2	0.3	862%	
Pre-tax Pre-Provision Income*	4.4	3.7	18%	
Diluted Net Earnings per Share	\$0.25	\$0.03	848%	
Tangible Book Value per Share, Reported*	\$11.34	\$11.14	2%	
ROAA	0.96%	0.10%	86 bp	← Expanding margin with mix shift and interest rate increases
Net Interest Margin	3.37%	3.12%	25 bp	

*Reconciliation provided in non-GAAP tables

Loan Yields



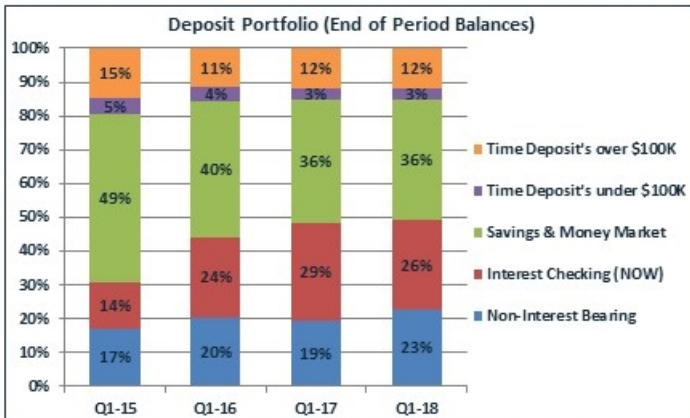
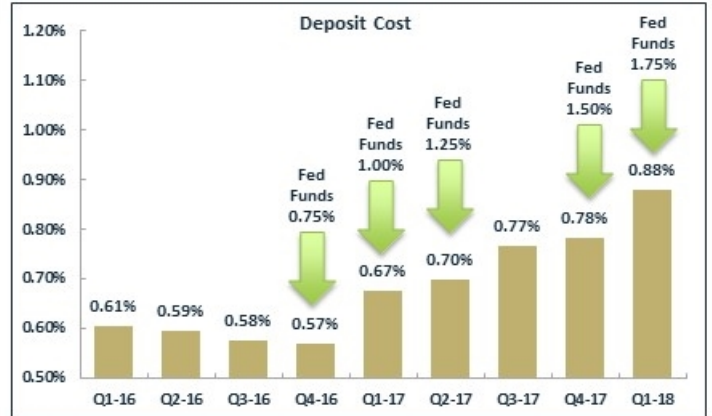
- The average loan yield increased 20 bps from the prior quarter.
- Variable rate loans are repricing as expected and improved the overall loan yield 10 bps.
- 65% of our loan portfolio is variable rate and predominantly tied to 1 month LIBOR.

Loan Yield Rollforward

4Q17 (Avg)	4.54%
New Loan Production	0.00%
Repricing of Variable Rate Loans	0.10%
Loan Volume/Mix	0.08%
Increase in Loan Fees	0.02%
1Q18 (Avg)	4.74%

Deposit Growth and Costs

- With the last five rate increases (+125 bps), we have held our deposit costs to a 24% beta (0.58%-0.88% with a 125 bps increase in Fed Funds).
- 49% of our deposit book is in some form of checking account (DDA & NOW).
- We are growing the right type of deposits → DDA growth of 27% over 4Q17 averages and 29% over 1Q17.



\$ in millions	Q1-18	Change Vs. Q4-17*		Change Vs. Q1-17	
	\$	\$	%	\$	%
Balance Sheet (Avg Balances)					
Non-Interest Bearing	\$ 270	\$ 17	27%	\$ 60	29%
Interest Checking (NOW)	286	4	6%	(44)	-13%
Savings & Money Market	380	33	38%	(55)	-13%
Time Deposit's under \$100K	36	(1)	-11%	(4)	-11%
Time Deposit's over \$100K	139	(23)	-58%	11	9%
Deposits	\$ 1,111	\$ 30	11%	\$ (32)	-3%

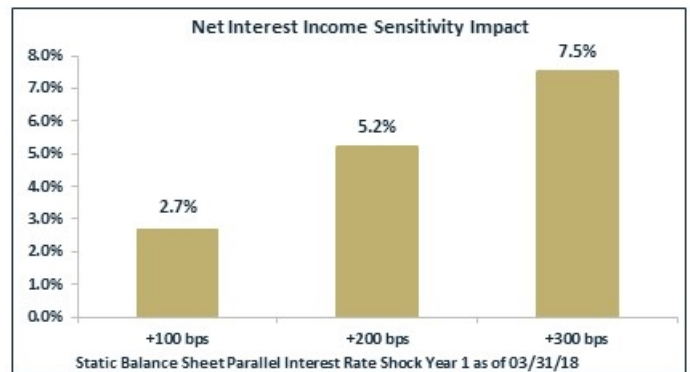
* Annualized % Change from 4Q17 to 1Q18

Net Interest Margin



- Asset sensitive balance sheet positions us well in a rising rate environment.
- Our NIM increased 11 bps due to:
 - Improved balance sheet mix
 - Variable rate loan book repricing with rate increases
 - Deposit costs impacted net interest margin 9 bps

Net Interest Margin	
4Q17 (Avg)	3.26%
Loan Volumes & Pricing	0.17%
Increase in Loan Fees	0.02%
Increase in Deposit Costs	-0.09%
Investment & Cash Mix	0.01%
1Q18 (Avg)	3.37%



Non-Interest Income

We have diversified our fee businesses and Non-interest income grew 45% over the prior year

(Dollars in thousands)	Three Months Ended				
	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Non-Interest Income					
Treasury Management and Other Deposit Service Charges	\$ 402	\$ 419	\$ 427	\$ 342	\$ 329
Loan Commitment Fees	387	124	223	187	236
Net Gain (Loss) on Sale of Securities	0	(108)	9	40	(6)
Tri-Net Fees	528	254	367	297	84
Mortgage Banking Income	1,313	1,621	2,030	1,370	1,216
Other	460	426	316	430	275
Total Non-Interest Income	\$ 3,090	\$ 2,736	\$ 3,372	\$ 2,666	\$ 2,134
<i>Average Assets</i>	<i>\$ 1,351,129</i>	<i>\$ 1,329,621</i>	<i>\$ 1,367,993</i>	<i>\$ 1,393,331</i>	<i>\$ 1,340,237</i>
<i>Non-Interest Income / Average Assets</i>	<i>0.93%</i>	<i>0.82%</i>	<i>0.98%</i>	<i>0.77%</i>	<i>0.65%</i>

- Treasury Management and Other Deposit Service charges have steadily increased 22% over prior year as we gain share of wallet with our client base.
- Loan Fees up 64% with higher production levels.
- Record Tri-Net fees.
- Mortgage fees declined due to seasonality.
- Other income increased primarily due to Wealth Management fees. AUM now over \$100MM.

Non-Interest Expense

We continue to make investments in our future growth by hiring new talent

(Dollars in thousands)	Three Months Ended				
	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Non-Interest Expense					
Salaries and Employee Benefits	\$ 6,257	\$ 5,411	\$ 5,119	\$ 4,784	\$ 5,086
Data Processing & Software	798	746	709	711	621
Professional Fees	474	473	336	350	365
Occupancy	521	507	531	539	449
Equipment	539	467	564	544	496
Regulatory Fees	203	234	270	301	307
Other	788	861	947	990	1,052
Total Non-Interest Expense	\$ 9,580	\$ 8,699	\$ 8,474	\$ 8,217	\$ 8,376
<i>Efficiency Ratio</i>	<i>68.8%</i>	<i>65.6%</i>	<i>59.6%</i>	<i>62.1%</i>	<i>69.4%</i>
<i>Average Assets</i>	<i>\$ 1,351,129</i>	<i>\$ 1,329,621</i>	<i>\$ 1,367,993</i>	<i>\$ 1,393,331</i>	<i>\$ 1,340,237</i>
<i>Non-Interest Expense / Average Assets</i>	<i>2.88%</i>	<i>2.60%</i>	<i>2.46%</i>	<i>2.37%</i>	<i>2.53%</i>
<i>FTE</i>	<i>182</i>	<i>175</i>	<i>168</i>	<i>169</i>	<i>168</i>

- Salary and Employee Benefits increased due to:
 - Increase in FTE and associated acquisition cost
 - 11 of the 14 new hires have been sales facing roles
 - Higher FICA in Q1
 - Increase in the incentive accrual.
- Data Processing and Software increased due to increased volumes and implementation of new mortgage banking software.

Effective Tax Rate with Stock Compensation Benefits

- We have 440K stock options and organizer warrants expiring in Q4-2018.

- Our normalized tax rate will be impacted by the exercise of these grants depending on the stock price at the date of exercise.

	1Q18	
	Effective Tax Rate	\$ in thousands
Normalized income tax expense	23.0%	\$846
Excess tax benefit	-9.9%	(363)
Income tax expense	13.1%	\$ 483

Assumed Stock Price -->	Stock Price Sensitivity					
	\$17.00	\$18.00	\$19.00	\$20.00	\$21.00	\$22.00
2018 Estimated Income tax benefit from stock compensation transactions*	\$ (535,087)	\$ (650,159)	\$ (765,231)	\$ (880,304)	\$ (995,376)	\$ (1,110,449)

*Assumes all 2018 expiring stock options and organizer warrants are exercised in 2018

*Assumes current statutory tax rates

Capital

- Capital ratios are above regulatory guidelines.

<u>Capital Ratios</u>	Q1-18	Q4-17	Q3-17	Q2-17	"Well Capitalized" Guidelines
Tangible Equity / Tangible Assets*	10.35%	10.51%	10.35%	9.65%	NA
Tangible Common Equity / Tangible Assets*	9.70%	9.84%	9.68%	8.99%	NA
Tier 1 Leverage Ratio	10.91%	10.77%	10.36%	9.77%	≥ 5.00%
Tier 1 Risk Based Capital Ratio	11.11%	11.41%	11.28%	10.54%	≥ 8.00%
Total Risk Based Capital Ratio	12.22%	12.52%	12.41%	11.51%	≥ 10.00%

*Reconciliation provided in non-GAAP tables

Key Takeaways*

- CapStar's strategy remains one of sound, profitable growth.
- Focused on increasing primary bank status with more clients.
- Organic growth opportunities through market share takeaway and creation of new business lines.
- Remain committed to delivering sustainable ROAA of 1.00% or greater by end of 2018.
- Efficiency ratio trending to low 60%'s by 4Q18.
- Exploration of M&A opportunities, lift-outs of established teams of bankers and new non-interest income initiatives.

*Refer to "Safe Harbor Statements" on page 3



Appendix: Historical Financials

Historical Financials

(Dollars in thousands, except per share information)	Three Months Ended March 31,		Twelve Months Ended December 31,						
	2018	2017	2017	2016	2015	2014	2013	2012	2011
STATEMENT OF INCOME DATA									
Interest Income	\$ 13,744	\$ 11,979	\$ 51,515	\$ 45,395	\$ 40,504	\$ 38,287	\$ 41,157	\$ 33,966	\$ 23,454
Interest Expense	2,898	2,047	9,651	6,932	5,731	5,871	6,576	6,682	7,146
Net Interest Income	10,846	9,932	41,863	38,463	34,773	32,416	34,581	27,284	16,308
Provision for Loan and Lease Losses	678	3,405	12,870	2,829	1,651	3,869	938	3,968	1,897
Non-Interest Income	3,090	2,134	10,908	11,084	8,884	7,419	1,946	1,935	874
Non-Interest Expense	9,580	8,376	33,765	33,129	30,977	28,562	25,432	19,021	13,211
Income before Income Taxes	3,678	285	6,136	13,590	11,029	7,404	10,157	6,230	2,073
Income Tax Expense	483	(47)	4,635	4,493	3,470	2,412	3,749	(3,168)	-
Net Income	3,195	332	1,501	9,097	7,559	4,992	6,408	9,398	2,073
Pre-Tax Pre-Provision Net Income *	4,355	3,690	19,006	16,419	12,680	11,273	11,095	10,197	3,970

* Reconciliation provided in non-GAAP tables

Historical Financials

	As of March 31,		As of December 31,						
(Dollars in thousands, except per share information)	2018	2017	2017	2016	2015	2014	2013	2012	2011
BALANCE SHEET (AT PERIOD END)									
Cash & Due From Banks	\$ 51,125	\$ 60,039	\$ 82,797	\$ 80,111	\$ 100,185	\$ 73,934	\$ 44,793	\$ 113,282	\$ 44,043
Investment Securities	202,141	241,915	205,186	235,250	221,890	285,514	305,291	280,115	236,837
Loans Held for Sale	62,286	35,371	74,093	42,111	35,729	15,386	-	-	-
Gross Loans and Leases (Net of Unearned Income)	1,031,821	1,003,434	947,537	935,251	808,396	713,077	626,382	624,328	430,329
Total Intangibles	6,232	6,276	6,242	6,290	6,344	6,398	284	317	-
Total Assets	1,382,745	1,381,703	1,344,429	1,333,675	1,206,800	1,128,395	1,008,709	1,031,755	711,183
Deposits	1,127,553	1,157,995	1,119,866	1,128,722	1,038,460	981,057	879,165	919,782	621,212
Borrowings and Repurchase Agreements	100,000	75,000	70,000	55,000	48,755	34,837	29,494	7,452	12,622
Total Liabilities	1,234,052	1,241,491	1,197,483	1,194,468	1,098,214	1,025,744	913,294	931,277	636,613
Common Equity	139,693	131,211	137,946	130,207	92,086	86,151	79,691	83,977	58,070
Preferred Equity	9,000	9,000	9,000	9,000	16,500	16,500	16,500	16,500	16,500
Total Shareholders' Equity	148,693	140,211	146,946	139,207	108,586	102,651	96,191	100,478	74,570
Tangible Equity *	142,461	133,935	140,704	132,918	102,242	96,253	95,907	100,160	74,570

* Reconciliation provided in non-GAAP tables

Historical Financials

	Three Months Ended March 31,		Twelve Months Ended December 31,						
	2018	2017	2017	2016	2015	2014	2013	2012	2011
(Dollars in thousands, except per share information)									
SELECTED PERFORMANCE RATIOS									
Return on Average Assets (ROAA)	0.96%	0.10%	0.11%	0.72%	0.66%	0.47%	0.62%	1.11%	0.34%
Pre-Tax Pre-Provision Return on Average Assets (PTPP ROAA) *	1.31%	1.12%	1.40%	1.30%	1.11%	1.06%	1.08%	1.20%	0.65%
Return on Average Equity (ROAE)	8.74%	0.95%	1.05%	7.57%	7.08%	4.94%	6.46%	10.56%	2.94%
Return on Average Tangible Equity (ROATE) *	9.12%	1.00%	1.09%	7.99%	7.53%	5.30%	6.48%	10.70%	2.94%
Return on Average Tangible Common Equity (ROATCE) *	9.74%	1.07%	1.17%	9.16%	9.01%	6.43%	7.78%	13.17%	3.83%
Net Interest Margin	3.37%	3.12%	3.20%	3.17%	3.19%	3.20%	3.45%	3.30%	2.73%
Efficiency Ratio **	68.75%	69.42%	63.98%	66.86%	70.96%	71.70%	69.62%	65.10%	76.89%
Non-Interest Income / Average Assets	0.93%	0.65%	0.80%	0.88%	0.78%	0.70%	0.19%	0.23%	0.14%
Non-Interest Expense / Average Assets	2.88%	2.53%	2.49%	2.62%	2.72%	2.68%	2.47%	2.25%	2.16%
Loan and Lease Yield	4.74%	4.24%	4.41%	4.33%	4.53%	4.74%	5.48%	5.50%	5.02%
Deposit Cost	0.88%	0.67%	0.73%	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 March 31,		Twelve Months Ended December 31,						
(Dollars in thousands, except per share information)	2018	2017	2017	2016	2015	2014	2013	2012	2011
PER SHARE OUSTANDING DATA									
Basic Net Earnings per Share	\$0.27	\$0.03	\$0.13	\$0.98	\$0.89	\$0.59	\$0.75	\$1.20	\$0.29
Diluted Net Earnings per Share	\$0.25	\$0.03	\$0.12	\$0.81	\$0.73	\$0.49	\$0.62	\$1.00	\$0.24
Book Value Per Share, Reported	\$11.87	\$11.70	\$11.91	\$11.62	\$10.74	\$10.17	\$9.54	\$9.65	\$8.13
Tangible Book Value Per Share, Reported*	\$11.34	\$11.14	\$11.37	\$11.06	\$10.00	\$9.41	\$9.51	\$9.61	\$8.13
Book Value Per Share, Adjusted *	\$11.75	\$11.59	\$11.79	\$11.52	\$10.66	\$10.18	\$9.65	\$9.74	\$8.52
Tangible Book Value Per Share, Adjusted *	\$11.26	\$11.07	\$11.29	\$11.00	\$10.04	\$9.55	\$9.63	\$9.71	\$8.52
Shares of Common Stock Outstanding at End of Period	11,773,358	11,218,328	11,582,026	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	10.91%	10.37%	10.77%	10.46%	9.33%	8.56%	8.96%	9.22%	10.31%
Common Equity Tier 1 Capital (Cet1)	10.43%	10.32%	10.70%	10.90%	8.89%	-	-	-	-
Tier 1 Risk-Based Capital	11.11%	11.01%	11.41%	11.61%	10.41%	10.32%	11.14%	11.77%	13.47%
Total Risk-Based Capital Ratio	12.22%	12.13%	12.52%	12.60%	11.42%	11.54%	12.19%	12.86%	14.68%
Total Shareholders' Equity to Total Assets Ratio	10.75%	10.15%	10.93%	10.44%	9.00%	9.10%	9.54%	9.74%	10.49%
Tangible Equity to Tangible Assets *	10.35%	9.74%	10.51%	10.01%	8.52%	8.58%	9.51%	9.71%	10.49%

* Reconciliation provided in non-GAAP tables

Historical Financials

	Three Months Ended March 31,		Twelve Months Ended December 31,						
(Dollars in thousands, except per share information)	2018	2017	2017	2016	2015	2014	2013	2012	2011
NON-PERFORMING ASSETS (NPA)									
Non-Performing Loans	\$ 1,329	\$ 13,624	\$ 2,695	\$ 3,619	\$ 2,689	\$ 7,738	\$ 6,552	\$ 8,784	\$ 141
Troubled Debt Restructurings	1,190	1,256	1,206	1,272	125	2,618	-	-	141
Other Real Estate and Repossessed Assets	-	-	-	-	216	575	1,451	1,822	-
Non-Performing Assets	1,329	13,624	2,695	3,619	2,905	8,313	8,003	10,606	141
ASSET QUALITY RATIOS									
Non-Performing Assets / Assets	0.10%	0.99%	0.20%	0.27%	0.24%	0.74%	0.79%	1.03%	0.02%
Non-Performing Loans / Loans	0.13%	1.36%	0.28%	0.39%	0.33%	1.09%	1.05%	1.41%	0.03%
Non-Performing Assets / Loans + OREO	0.13%	1.36%	0.28%	0.39%	0.36%	1.16%	1.27%	1.69%	0.03%
Net Charge-Offs to Average Loans (Periods Annualized)	-0.07%	0.43%	1.09%	0.15%	0.38%	0.15%	0.11%	0.40%	0.14%
Allowance for Loan Losses to Total Loans and Leases	1.41%	1.39%	1.45%	1.24%	1.25%	1.58%	1.35%	1.32%	1.45%
Allowance for Loan to Non-Performing Loans	1095.7%	102.7%	509.1%	321.4%	376.8%	145.8%	129.1%	93.5%	4415.6%

* Reconciliation provided in non-GAAP tables

Historical Financials

	As of March 31,		As of December 31,						
(Dollars in thousands, except per share information)	2018	2017	2017	2016	2015	2014	2013	2012	2011
COMPOSITION OF LOANS HELD FOR INVESTMENT									
Commercial Real Estate	\$ 389,757	\$ 360,955	\$ 350,622	\$ 302,322	\$ 251,196	\$ 219,793	\$ 182,392	\$ 177,584	\$ 135,855
Consumer Real Estate	104,224	99,952	102,581	97,015	93,785	82,167	63,893	77,787	51,256
Construction and Land Development	91,953	74,007	82,586	94,491	52,522	46,193	30,217	35,674	24,676
Commercial and Industrial	408,353	420,825	373,248	379,620	353,442	332,914	312,527	279,755	175,518
Consumer	9,524	4,495	6,862	5,974	8,668	7,910	7,939	10,749	12,687
Other Loans	28,010	43,200	31,638	55,829	48,782	28,578	32,132	46,929	30,337
DEPOSIT COMPOSITION									
Non-Interest Bearing	258,161	223,450	301,742	197,788	190,580	157,355	135,448	102,786	66,641
Interest Checking	295,495	335,572	274,681	299,621	189,983	115,915	84,028	60,663	12,655
Savings & Money Market	403,216	421,203	367,245	447,686	437,214	484,600	427,312	544,762	404,775
Time Deposits Less Than \$100,000	36,343	40,014	36,587	41,128	45,902	51,813	46,819	52,844	21,563
Time Deposits Greater Than or Equal to \$100,000	134,339	137,757	139,610	142,500	174,781	171,373	185,482	158,778	115,578

* Reconciliation provided in non-GAAP tables

Historical Financials

	Three Months Ended March 31,		Twelve Months Ended December 31,						
(Dollars in thousands, except per share information)	2018	2017	2017	2016	2015	2014	2013	2012	2011
REAL ESTATE - COMMERCIAL AND CONSTRUCTION CONCENTRATIONS									
Construction and Development	\$ 91,953	\$ 74,007	\$ 82,586	\$ 94,491	\$ 52,522	\$ 46,193	\$ 30,217	\$ 35,674	\$ 24,676
Commercial Real Estate and Construction	395,398	334,469	382,300	282,513	198,285	172,803	146,258	150,253	109,988
Construction and Development to Total Risk Based Capital (Reg. 100%)	56.9%	48.5%	52.9%	63.2%	45.3%	42.8%	30.1%	36.7%	32.3%
Coml. Real Estate and Const. to Total Risk Based Capital (Reg. 300%)	244.5%	219.4%	244.8%	188.8%	170.9%	160.0%	145.8%	154.6%	144.0%
MORTGAGE METRICS									
Total Origination Volume	\$ 91,996	\$ 93,162	\$ 440,132	\$ 522,037	\$ 422,323	\$ 253,099	-	-	-
Total Mortgage Loans Sold	97,162	101,118	462,506	523,031	407,941	245,891	-	-	-
Purchase Volume as a % of Originations	71%	72%	77%	67%	72%	76%	-	-	-
Mortgage Fees/Gain on Sale of Loans	1,313	1,216	6,238	7,375	5,962	4,067	-	-	-
Mortgage Fees/Gain on Sale as a % of Loans Sold	1.35%	1.20%	1.35%	1.41%	1.46%	1.65%	-	-	-
Mortgage Fees/Gain on Sale as a % of Total Revenue	9.4%	10.1%	11.8%	14.9%	13.7%	10.2%	-	-	-

Non-GAAP Financial Measures

(Dollars in thousands, except per share information)	Three Months Ended March 31,		Twelve Months Ended December 31,						
	2018	2017	2017	2016	2015	2014	2013	2012	2011
PRE-TAX PRE-PROVISION INCOME									
Pre-Tax Income	\$ 3,678	\$ 285	\$ 6,136	\$ 13,590	\$ 11,029	\$ 7,404	\$ 10,157	\$ 6,230	\$ 2,073
Add: Provision for Loan Losses	678	3,405	12,870	2,829	1,651	3,869	938	3,968	1,897
Pre-Tax Pre-Provision Income	4,355	3,690	19,006	16,419	12,680	11,273	11,095	10,197	3,970
PRE-TAX PRE-PROVISION RETURN ON AVERAGE ASSETS									
Total Average Assets	\$1,351,129	\$1,340,237	\$1,357,794	\$1,262,763	\$1,140,760	\$1,064,705	\$1,028,709	\$ 846,901	\$ 612,775
Pre-Tax Pre-Provision Income	4,355	3,690	19,006	16,419	12,680	11,273	11,095	10,197	3,970
Pre-Tax Pre-Provision Return on Average Assets	1.31%	1.12%	1.40%	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)	2018	2017	2017	2016	2015	2014	2013	2012	2011
TANGIBLE EQUITY									
Total Shareholders' Equity	\$ 148,693	\$ 140,211	\$ 146,946	\$ 139,207	\$ 108,586	\$ 102,651	\$ 96,191	\$ 100,477	\$ 74,570
Less: Intangible Assets	6,232	6,276	6,242	6,290	6,344	6,398	284	317	-
Tangible Equity	142,461	133,935	140,704	132,918	102,242	96,253	95,907	100,160	74,570
TANGIBLE COMMON EQUITY									
Tangible Equity	\$ 142,461	\$ 133,935	\$ 140,704	\$ 132,918	\$ 102,242	\$ 96,253	\$ 95,907	\$ 100,160	\$ 74,570
Less: Preferred Equity	9,000	9,000	9,000	9,000	16,500	16,500	16,500	16,500	16,500
Tangible Common Equity	133,461	124,935	131,704	123,918	85,742	79,753	79,407	83,660	58,070
TANGIBLE EQUITY TO TANGIBLE ASSETS									
Tangible Equity	\$ 142,461	\$ 133,935	\$ 140,704	\$ 132,918	\$ 102,242	\$ 96,253	\$ 95,907	\$ 100,160	\$ 74,570
Total Assets	1,382,745	1,381,703	1,344,429	1,333,675	1,206,800	1,128,395	1,009,485	1,031,755	711,183
Less: Intangible Assets	6,232	6,276	6,242	6,290	6,344	6,398	284	317	-
Tangible Assets	1,376,513	1,375,426	1,338,188	1,327,385	1,200,456	1,121,997	1,008,425	1,031,437	711,183
Tangible Equity to Tangible Assets	10.35%	9.74%	10.51%	10.01%	8.52%	8.58%	9.51%	9.71%	10.49%
TANGIBLE COMMON EQUITY TO TANGIBLE ASSETS									
Tangible Common Equity	\$ 133,461	\$ 124,935	\$ 131,704	\$ 123,918	\$ 85,742	\$ 79,753	\$ 79,407	\$ 83,660	\$ 58,070
Tangible Assets	1,376,513	1,375,426	1,338,188	1,327,385	1,200,456	1,121,997	1,008,425	1,031,437	711,183
Tangible Common Equity to Tangible Assets	9.70%	9.08%	9.84%	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,						
(Dollars in thousands, except per share information)	2018	2017	2017	2016	2015	2014	2013	2012	2011
RETURN ON AVERAGE TANGIBLE EQUITY (ROATE)									
Total Average Shareholder's Equity	\$ 148,276	\$ 141,551	\$ 143,402	\$ 120,123	\$ 106,727	\$ 101,030	\$ 99,153	\$ 88,990	\$ 70,625
Less: Average Intangible Assets	6,238	6,285	6,265	6,318	6,371	6,855	301	1,151	-
Average Tangible Equity	142,037	135,266	137,137	113,805	100,356	94,175	98,852	87,838	70,625
Net Income to Shareholders	3,195	332	1,501	9,097	7,559	4,992	6,408	9,398	2,073
Return on Average Tangible Equity (ROATE)	9.12%	1.00%	1.09%	7.99%	7.53%	5.30%	6.48%	10.70%	2.94%
RETURN ON AVERAGE TANGIBLE COMMON EQUITY (ROATCE)									
Average Tangible Equity	\$ 142,037	\$ 135,266	\$ 137,137	\$ 113,805	\$ 100,356	\$ 94,175	\$ 98,852	\$ 87,838	\$ 70,625
Less: Preferred Equity	9,000	9,000	9,000	14,533	16,500	16,500	16,500	16,500	16,500
Average Tangible Common Equity	133,037	126,266	128,137	99,273	83,856	77,675	82,352	71,338	54,125
Net Income to Shareholders	3,195	332	1,501	9,097	7,559	4,992	6,408	9,398	2,073
Return on Average Tangible Common Equity (ROATCE)	9.74%	1.07%	1.17%	9.16%	9.01%	6.43%	7.78%	13.17%	3.83%
ADJUSTED SHARES OUTSTANDING AT END OF PERIOD									
Shares of Common Stock Outstanding	11,773,358	11,218,328	11,582,026	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	878,049	878,049	878,049	1,609,756	1,609,756	1,609,756	1,609,756	1,609,756
Adjusted Shares Outstanding at End of Period	12,651,407	12,096,377	12,460,075	12,082,564	10,186,807	10,081,272	9,962,843	10,315,039	8,752,539

Non-GAAP Financial Measures

	As of March 31,		As of December 31,						
(Dollars in thousands, except per share information)	2018	2017	2017	2016	2015	2014	2013	2012	2011
BOOK VALUE PER SHARE, ADJUSTED									
Total Shareholders Equity	\$ 148,693	\$ 140,211	\$ 146,946	\$ 139,207	\$ 108,586	\$ 102,651	\$ 96,191	\$ 100,477	\$ 74,570
Adjusted Shares Outstanding at End of Period	12,651,407	12,096,377	12,460,075	12,082,564	10,186,807	10,081,272	9,962,843	10,315,039	8,752,539
Book Value Per Share, Adjusted	\$11.75	\$11.59	\$11.79	\$11.52	\$10.66	\$10.18	\$9.65	\$9.74	\$8.52
TANGIBLE BOOK VALUE PER SHARE, REPORTED									
Tangible Common Equity	\$ 133,461	\$ 124,935	\$ 131,704	\$ 123,918	\$ 85,742	\$ 79,753	\$ 79,407	\$ 83,660	\$ 58,070
Shares of Common Stock Outstanding	11,773,358	11,218,328	11,582,026	11,204,515	8,577,051	8,471,516	8,353,087	8,705,283	7,142,783
Tangible Book Value Per Share, Reported	\$11.34	\$11.14	\$11.37	\$11.06	\$10.00	\$9.41	\$9.51	\$9.61	\$8.13
TANGIBLE BOOK VALUE PER SHARE, ADJUSTED									
Tangible Equity	\$ 142,461	\$ 133,935	\$ 140,704	\$ 132,918	\$ 102,242	\$ 96,253	\$ 95,907	\$ 100,160	\$ 74,570
Adjusted Shares Outstanding at End of Period	12,651,407	12,096,377	12,460,075	12,082,564	10,186,807	10,081,272	9,962,843	10,315,039	8,752,539
Tangible Book Value Per Share, Adjusted	\$11.26	\$11.07	\$11.29	\$11.00	\$10.04	\$9.55	\$9.63	\$9.71	\$8.52

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