

CAPITAL MARKETS ANNOUNCEMENT

CapStar Financial Holdings, Inc. (NASDAQ: CSTR; Nashville, TN) Closes \$44.6 Million Initial Public Offering of Common Stock

Sandler O'Neill + Partners, L.P. served as joint book-running manager for this transaction.

Since January 1, 2014, Sandler O'Neill has acted as a book-runner or co-manager on 20 bank IPOs—more than any other investment bank during that time period. These transactions have raised approximately \$7.4 billion for our clients.¹

About the Offering:

Nashville, TN (September 27, 2016) – CapStar Financial Holdings, Inc. (“CapStar” or the “Company”), announced today the closing of the initial public offering of 2,972,750 shares of its common stock, including 387,750 shares purchased by the underwriters pursuant to the full exercise of their purchase option. The shares were sold at a public offering price of \$15.00 per share, resulting in aggregate gross proceeds of approximately \$44.6 million. The net proceeds to the Company, after deducting the underwriting discount and estimated offering expenses, are approximately \$22.0 million. The shares began trading on Thursday, September 22, 2016, on the NASDAQ Global Select Market under the ticker symbol “CSTR.”

This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.

About the Company:

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.

(1) Source: SNL Financial
(2) Source: CSTR Prospectus

September 27, 2016

Initial Public Offering

\$44.6 Million



Joint Book-Running Manager

SANDLER O'NEILL + PARTNERS

Financial Highlights (as of 6/30/2016)²

(Dollars in millions)

Total Assets	\$1,310
Gross Loans	944
Total Deposits	1,143
Total Equity	114
YTD ROAA	0.67%
YTD ROATE	7.75%
NPA/Assets	0.44%

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