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# CAPSTAR BANK AND AMERICAN SECURITY BANK & TRUST COMPANY TO MERGE

NASHVILLE, TN and HENDERSONVILLE, TN- February 9, 2012. CapStar Bank, a Tennessee banking corporation headquartered in Nashville, Tennessee, and American Security Bank & Trust Company, a Tennessee banking corporation headquartered in Hendersonville, Tennessee, today jointly announced they have signed a definitive agreement to merge. The combined company will have approximately \$880 million in assets, hold nearly \$770 million in deposits, and operate five branches in the Nashville MSA. The combined company will operate under the CapStar Bank name.

Claire W. Tucker, President and Chief Executive Officer of CapStar, will serve as President and Chief Executive Officer of the combined company.

Commenting on the merger, Tucker said, "The directors and employees of CapStar and American Security share a passion for delivering superior banking services to our customers, recognizing the importance of a personal touch and timely responsiveness. We will continue to focus on high quality personal service and local decision-making as each of our respective banks has historically done. The business strategy of both banks is focused on small to medium sized businesses, their owners and employees. The combination of our companies will expand our footprint to include Hendersonville and Gallatin, in addition to our current locations in Green Hills, Brentwood and downtown Nashville."

"We view this merger as a tremendous opportunity for the customers, employees and shareholders of both CapStar and American Security," Tucker added. "We utilize the same core computing systems which should enable us to quickly achieve operating efficiencies with minimal customer impact."

"We are very excited about bringing together these two fine companies," said Mark D. Thomas, President and Chief Executive Officer of American Security. "American Security's shareholders, employees and customers will benefit tremendously from the combined resources and the larger geographic presence that this combination creates. CapStar's and American Security's cultures combine experience and commitment to customer service, and we believe strongly that the principles and ideals that have guided

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these two financial institutions will be strengthened to the benefit of all of our stakeholders. The long-term impact of this combination will be advantageous to our shareholders, our employees and our communities," Thomas said.

Under the terms of the agreement, subject to certain adjustments, American Security shareholders holding more than 3,000 shares of American Security common stock will receive shares of CapStar common stock in the merger, and American Security shareholders holding 3,000 or fewer shares will receive cash. A proxy statement setting forth the details of the transaction, including a description of the consideration to be received in the merger, will be provided to shareholders of American Security and of CapStar.

The transaction is subject to several conditions, including the approval of CapStar and American Security shareholders, and requisite regulatory authorities. The boards of directors of CapStar and American Security have both unanimously approved the transaction, and have delivered agreements to vote all of their respective stock in favor of the transaction. CapStar and American Security expect the transaction to close later this year.

### **About CapStar Bank**

Founded in 2008 with \$88 million in start-up capital, CapStar currently has three offices in Middle Tennessee and provides a wide range of deposit services and treasury management products, as well as a powerful technology platform, for small and mid-size businesses and consumers. CapStar experienced the greatest percentage of asset growth for all Tennessee banks in 2011, according to FDIC reports.

#### **About American Security Bank & Trust Company**

Founded in 2004, American Security is a Tennessee banking corporation with offices in Hendersonville and Gallatin that offers consumer and business banking, in addition to loan and home mortgage services.

#### **Additional Information**

The proposed Merger will be submitted to CapStar and American Security Bank shareholders for their consideration through proxy statements, and CapStar and American Security may file other relevant documents concerning the proposed merger with the Tennessee Department of Financial Institutions. CapStar Bank was advised by the law firm of Bradley Arant Boult Cummings LLP, and American Security was advised by the law firm of Daniel W. Small, Esq. (Ashland City, TN). Sandler O'Neill & Partners L.P. served as financial advisor to American Security.

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CapStar Bank: We're listening.