



July 5, 2017

## **StoneCastle Financial Corp.'s Chairman & CEO, Joshua Siegel to Close the NASDAQ Stock Market to Mark the Company's Assigned Investment Grade Corporate Issuer Rating of "A+" from Kroll Bond Rating Agency**

NEW YORK, July 05, 2017 (GLOBE NEWSWIRE) -- StoneCastle Financial Corp. (Nasdaq:BANX) ("StoneCastle Financial" or the "Company"), a closed-end investment company registered with the Securities and Exchange Commission ("SEC"), will be closing the NASDAQ Stock Market today to mark the Company's recent corporate developments.

In May, Kroll Bond Rating Agency (KBRA) assigned StoneCastle Financial Corp. an investment-grade issuer rating of "A+" and a "BBB+" rating to Preferred Shares that could be issued by the Company. The ratings reflect StoneCastle Financial's Preliminary Closed-End Fund rating as measured by the key Closed-End Fund (CEF) rating determinants. These determinants include the credit quality of the underlying instruments that comprise the portfolio's asset coverage, liquidity, and duration. Additionally, the ratings are influenced by the strong qualitative shadow rating of the Company's investment advisor, StoneCastle Asset Management, LLC.

The Company also recently announced a positive amendment to its credit facility. The Facility, rated "A3" by Moody's Investor Services, is solely funded by Texas Capital Bank, located in Dallas, TX. The Facility remains secured by substantially all of the assets of the Company. Several terms of the facility were favorably amended to the benefit of the Company and shareholders. The most material changes to the terms are, but are not limited to:

- | The cost of the Facility has decreased to a significantly lower credit spread of LIBOR+2.35%, down from Libor +2.85%. We believe this is due to the Company's strong credit quality and asset performance over the past three years.
- | The maturity date of the facility has been extended for a full five years to May 16, 2022.
- | The size of the Facility has been adjusted from \$70 million to \$62 million, reflecting the maximum amount the Company can borrow based on current assets and internal guidelines. This reduces the 0.50% annual fee paid to the bank on undrawn amounts of the Facility.
- | In the prior facility, the Company was required to maintain a deposit account of \$3.5 million of cash with the lead lender. Such funds were previously unavailable for investment into earning securities. The \$3.5 million account is no longer required, allowing the company to earn a return on this cash going forward.

### **About StoneCastle Financial Corp.**

StoneCastle Financial is an SEC registered non-diversified, closed-end investment company listed on the NASDAQ Global Select Market under the symbol "BANX." StoneCastle Financial intends to make long-term, passive, non-control investments in community banks seeking capital for organic growth, acquisitions, share repurchases and other refinancing activities. Its investment objective is to provide current income and, to a lesser extent, capital appreciation. StoneCastle Financial is managed by StoneCastle Asset Management LLC.

### **Forward-Looking Statements**

This press release contains statements that are not historical facts and are forward-looking statements based on current management expectations involving substantial risks and uncertainties that could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. Actual future results may differ significantly from those stated in any forward-looking statement, depending on factors such as changes in securities or financial markets or general economic conditions, the volume of sales and purchases of shares of common stock, the continuation of investment advisory, administrative and service contracts, and other risks discussed from time to time in StoneCastle Financial's filings with the SEC.

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