



May 25, 2017

## **StoneCastle Financial Corp. Announces Amended and Improved Credit Facility with Texas Capital Bank and Newly Assigned Investment Grade Corporate Issuer Rating of "A+" from Kroll Bond Rating Agency**

NEW YORK, May 25, 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"), announced today it has favorably amended, and extended, the Company's credit facility (the "Facility") and received investment grade issuer ratings from Kroll Bond Rating Agency: Corporate Issuer Rating of "A+" and Preferred Stock rating of "BBB+".

In regards to the Facility, several terms were favorably amended to the benefit of the Company and shareholders. The most material changes to the terms are, but are not limited to:

- l 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.
- l The maturity date of the facility has been extended for a full five years to May 16, 2022.
- l 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.
- l 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.

The Facility, rated "A3" by Moody's Investor Services, is solely funded by Texas Capital Bank, located in Dallas, Texas. The Facility remains secured by substantially all of the assets of the Company.

As previously mentioned, 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 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 will host a conference call to discuss the details of these corporate developments on June 1, 2017 at 5pm. The call will be hosted by Chairman and CEO, Joshua Siegel and Patrick Farrell, Chief Financial Officer.

The conference call can be access by dialing 1-877-407-9039 for domestic callers or 1-201-689-8470 for international callers. A replay of the call will be available shortly after the call and be available through midnight (Eastern Time) on June 15, 2017. The replay can be accessed by dialing 1-844-512-2921 for domestic callers or 1-412-317-6671 for international callers. The passcode for the replay is 13663356.

### **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.

This release does not constitute a prospectus in any jurisdiction and is not an offer to sell any securities and it is not a solicitation for an offer to buy any securities.

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