



Status of 2018 Taxable Distributions

(Unaudited)

The information on distributions paid by StoneCastle Financial Corp. (“StoneCastle Financial” or the “Company”) (CUSIP Number: 861780104) for 2018 is set forth below. For tax purposes, the Company is a regulated investment company (“RIC”) and is designating the types of distributions you received as a stockholder related to the 2018 tax year in accordance with Subchapter M of the Internal Revenue Code of 1986, as amended (“IRC”), in the following manner:

Taxability of 2018 Distributions

Please see the schedule below for the details related to each distribution. This data will be used in the preparation of Form 1099-DIV for each shareholder.

| Payable Date | Total Amount Paid Per Share | 2018 Taxable Income Per Share |
|--------------|-----------------------------|-------------------------------|
| 1/3/2018 | \$0.38* | \$0.16* |
| 3/27/2018 | \$0.38 | \$0.38 |
| 6/28/2018 | \$0.38 | \$0.38 |
| 9/28/2018 | \$0.38 | \$0.38 |
| 1/2/2019 | \$0.52 | \$0.52 |
| TOTAL | | \$1.82 |

** A portion of the \$0.38 distribution paid on January 3, 2018 to shareholders of record on December 22 2017 was deemed to be applicable to the 2017 tax year for the Company to meet its IRS distribution requirements. As a result, \$0.22 per share was reflected in the shareholder's 2017 tax year 1099-DIV and the balance of \$0.16 was reflected in the 2018 1099-DIV.*

Taxable Income Eligible for Qualified Dividend Income (QDI)

For the 2018 tax year, **32.46%** of the dividends reported as taxable income to each shareholder on their 1099-DIV are eligible for Qualified Dividend Income (QDI) treatment. As a result, a portion of your ordinary income dividend may be taxed at a reduced capital gains rate rather than the higher marginal rates applicable to ordinary income. To treat a dividend as qualifying for lower rates, you must have held your shares on which you received the dividend for at least 61 days during the 121-day period beginning 60 days before the ex-dividend date of the distribution.

Please see your 1099-DIV for the amounts applicable to you.

Disclaimer

StoneCastle Financial Corp. is not a tax advisor. Please consult a tax advisor or review information on filing your taxes provided by the Internal Revenue Service at www.irs.gov.