

**CAPITAL STRUCTURE**

Total Net Assets	\$154,545,283
Total Assets	\$210,866,987
Total Leverage Outstanding	\$55,000,000
Leverage as a Percent of Total Assets	26%

**COMPANY INFORMATION**

CUSIP	861780104
NASDAQ Ticker Symbol	BANX
Market Price per Share	\$22.05
Market Capitalization	\$155.9 million
Net Asset Value	\$21.86
Inception Date	November 13, 2013
Inception Price Share	\$25.00
Inception NAV <sup>1</sup>	\$23.49

<sup>1</sup> Net Asset Value at beginning of period reflects a deduction of \$1.51 per share of sales load and offering expenses from the initial public offering price of \$25 per share.

**DISTRIBUTION INFORMATION**

Dividend Yield	6.9%
Current Quarterly Distribution (Per Share)	\$0.38
<b>Total Cash Distributions per Share</b>	
2021 YTD (Declared)	\$1.14
Inception (Declared)	\$12.64

**HIGHLIGHTS**

- High current income potential
- Unique investment vehicle dedicated to making bank-related investments in regulatory capital relief securities, community banks, and other FDIC-insured institutions.
- Portfolio managed by StoneCastle-ArrowMark Asset Management as one of the leading advisors dedicated to the banking and financial services sector.
- StoneCastle's community bank investments provide high impact to their local communities in economic development, financial inclusion and job creation through the support of local small businesses and in rural communities.

**OBJECTIVE**

The company's primary investment objective is to provide stockholders with current income. The company's strategy has a focus on income generation, capital preservation, credit quality and providing risk-adjusted total return.

**INVESTMENT STRATEGY**

StoneCastle Financial Corp. invests in term loans, structured debt securities, regulatory capital relief securities, trust preferred/preferred securities, and to a lesser extent, common equity. The investment strategy emphasizes risk-adjusted rates of return and long-term value creation for shareholders. The Schedule of Investments can be found on the Company's website. Current investments, excluding cash and short-term cash equivalents are approximately 9.2% in term loans, 10.2% in structured debt, 65.2% in regulatory capital transactions, 10.3% in trust preferred and preferred stocks, and 5.1% in ETFs as a percent of total long-term investments.<sup>3</sup> As a regulated investment company, StoneCastle's leverage is limited to a maximum of 33.33%.

**ABOUT STONECASTLE FINANCIAL CORP.**

StoneCastle Financial Corp. is an SEC registered non-diversified, closed-end investment company listed on the NASDAQ Global Select Market under the symbol "BANX." The firm intends to make long-term, passive, non-control investments in banking-related securities seeking capital. StoneCastle Financial Corp. is managed by StoneCastle-ArrowMark Asset Management, LLC. To learn more, visit [www.stonecastle-financial.com](http://www.stonecastle-financial.com).

<sup>1</sup> Based on Total Assets of \$210.9 million.

<sup>3</sup> Based on Total Long-Term Investments of \$202.3 million.

## COMPANY CHARACTERISTICS

### Asset Categories & Investment Characteristics

(As of 09.30.2021)

StoneCastle Financial Corp. intends to make long-term, passive, non-control investments in term loans, debt securities, regulatory capital relief transactions, convertible securities and preferred and common equity. Each quarter, the portfolio is valued by independent market quotations, and other valuation sources

- A full schedule of investments can be found on the Company's website, [www.stonecastle-financial.com](http://www.stonecastle-financial.com), under SEC Filings.
- Fair Value of Total Long-Term Investments is \$202.3 million.

### Community Bank Category

- The Company's total investments included approximately \$60.2 million of community bank assets. These assets fall under terms loans, structured debt and trust preferreds/preferred securities on the Schedule of Investments.

### Regulatory Capital Relief Category

- The Company's total investments included approximately \$131.9 million of regulatory capital relief assets. These assets fall under regulatory capital on the Schedule of Investments.

### Investment Characteristics

- Approximately 65% of total investments are in floating rate notes.
- A majority of the community bank underlying credits are in multi-family, owner occupied residential; C&I; and small business loans.
- A majority of the regulatory capital relief underlying credits are primarily investment grade, working credit lines of Fortune 1000 companies and/or international businesses.
- The geographic breakdown of investments are 39% U.S. domestic banks and 61% global money center banks under U.S. regulatory agencies.

### StoneCastle Financial Corp. Dividend Spread v. Community Bank New Issuance

(As of 09.30.2021)

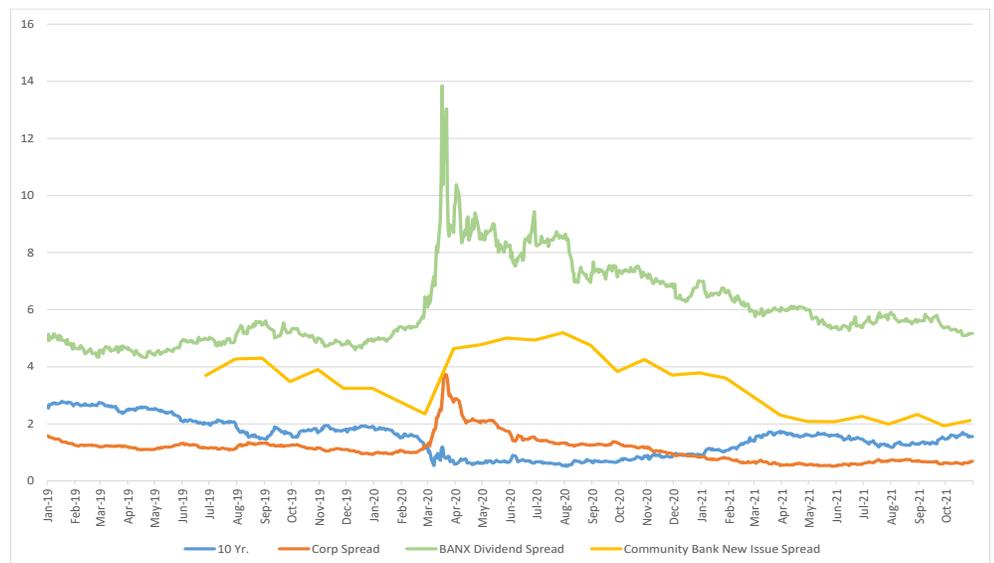
HG Corp Spreads have decreased since Q1 2020

Community bank spreads decreased from over 4% in 2H 2020 to close to 3.5% in Q3 2021.

BANX dividend spread over the 10-year Treasury shows good value today relative to 2019 levels, but has been steadily decreasing reflecting improving trading prices

- Note the HG Corp. spread is not a HG yield

10Y US Tr Rate vs HG/Comm. Bank New Issue/BANX Spread over 10Y US Tr



### Consistent and Stable Yield

(As of 09.30.2021)

StoneCastle Financial Corp. pays out a consistent quarterly dividend. At Q3 2021, the Company's dividend yield was 6.9%; For the tax year 2020, 34.5% of taxable income was eligible for QDI.

The Company has out-earned its dividend consistently for 5 consecutive years.

- The Company's Dividend History can be found at <https://ir.stonecastle-financial.com/stock-information/dividends-splits>
- In 2018, the Company paid out a special dividend of \$0.14 per share and in 2020, the Company paid out a special dividend of \$0.05 per share.

5 Years of Consistent Coverage of Dividend Q4 2016 - Q3 2021



**Sanjai Bhonsle,**  
*Chairman & CEO*

Mr. Bhonsle was elected Chairman & CEO of StoneCastle Financial Corp. in February 2020. He also serves on the Board of Directors of StoneCastle-ArrowMark Asset Management, LLC.

Mr. Bhonsle joined ArrowMark in October 2012 and serves as Partner and Portfolio Manager for ArrowMark's leveraged loan investments and collateralized loan obligation funds. Prior to joining ArrowMark, he founded MB Consulting Partners in 2009, where he specialized in financial and operational restructuring advisory to stressed and distressed middle-market companies. With more than 10 years of restructuring experience, he has led several assignments across various industries.

Sanjai was a Senior Portfolio Manager at GSO Capital Partners, a subsidiary of The Blackstone Group, and member of the Investment and Management Committee (2005-2009). Prior to joining GSO Capital Partners, Sanjai was an Assistant Portfolio Manager for RBC Capital Partners' debt investment group and was a member of the Investment Committee (2001-2005). He also led the group's restructuring efforts related to distressed investments and represented the firm's interests on creditor committees. From 1999-2001, Sanjai was a Senior Investment Analyst at Indosuez Capital Partners. Sanjai received a bachelor's degree in Mechanical Engineering from the University of Wisconsin - Madison and an MBA from the Eli Broad Graduate School of Management at Michigan State University.

**Patrick J. Farrell,**  
*Chief Financial Officer*

Mr. Farrell was re-elected as StoneCastle Financial Corp.'s Chief Financial Officer in February 2020. He has served in this role since April 2014.

As Chief Financial Officer at StoneCastle Partners LLC, Mr. Farrell is responsible for all financial and accounting activities at StoneCastle. He has over thirty-eight years of hands-on management experience in finance and accounting, specifically focused on domestic and offshore mutual funds, bank deposit account programs, investment advisory and broker dealer businesses.

Previously, Mr. Farrell was CFO/COO of the Emerging Managers Group, LP, a specialty asset management firm focused on offshore mutual funds. Prior to that, Pat was CFO at Reserve Management. Earlier in his career, Pat held financial positions at Lexington Management, Drexel Burnham, Alliance Capital and New York Life Investment Management, all focused on investment advisory activities. He began his career as an auditor at Peat Marwick Mitchell & Co. in New York. Pat holds a BS in Business Administration-Accounting from Manhattan College.

Mr. Farrell is a Certified Public Accountant in New York State and a member of the American Institute of Certified Public Accountants.

**Rick Grove,**  
*Chief Compliance Officer*

Mr. Grove was elected Chief Compliance Officer of StoneCastle Financial Corp. in February 2020.

He is a Principal and Chief Compliance Officer at ArrowMark Partners. He is also the Vice President, Chief Compliance Officer and Secretary for Meridian Fund, Inc. Before joining ArrowMark Partners in 2008, he was Vice President and Chief Compliance Officer for Black Creek Global Advisors (2007-2008). Prior to that position, Rick served as Vice President and Chief Compliance Officer for Madison Capital Management (2005-2007), Assistant Vice President and Director of Compliance at Janus Capital Group (1993-2005), and Fund Accountant for Oppenheimer Funds (1992-1993). Rick graduated from the University of Wyoming with a bachelor's degree in Accounting.

### Disclaimers

Shares of closed-end management investment company are subject to investment risks, including the possible loss of principal invested. Past performance is no guarantee of future results.

An investment in this company presents a number of risks and is not suitable for all investors. Investors should carefully review and consider potential risks before investing. For more detailed information on the specific risks associated with this company, please view the Company's full financial filings at [www.sec.gov](http://www.sec.gov).