



March 6, 2014

StoneCastle Financial Corp. Reports Fourth Quarter 2013 Results and Declares Q1, 2014 Dividend

\$42.9 Million Invested, Including Activity Completed in 2014

NEW YORK, March 6, 2014 (GLOBE NEWSWIRE) -- StoneCastle Financial Corp. (Nasdaq:BANX), an SEC registered investment company today reported results for the fourth fiscal quarter ended December 31, 2013. The Company completed its initial public offering ("IPO") on November 13, 2013, and the results reflect the period from its commencement of investment operations to December 31, 2013.

"Following our IPO and initial purchases in the fourth quarter, StoneCastle Financial is positioned to implement its investment strategy and become a preferred investor in community banks", stated Joshua Siegel, StoneCastle Financial's Chairman & Chief Executive Officer. "As of February 28th, we owned an investment portfolio with a cost of \$42.9 million. Our pipeline of potential investments continues to build and we continue to deploy capital. We have entered into endorsement and marketing arrangements with the Corporation for American Banking, a subsidiary of the American Banker's Association (ABA), which we expect will provide us with incremental investment opportunities."

Highlights

- Completed IPO and formation transactions, raising \$110.2 million of net proceeds through the sale of approximately 4.7 million common shares.
- Invested \$55.6 million in 9 investments during its initial fiscal period ended December 31, 2013. Subsequent to the end of period, completed an additional \$23.8 million in 3 investments.
- Received repayment of \$28.7 million for 3 investments during the initial fiscal period December 31, 2013. Subsequent to the end of the period, received repayment of an additional \$7.4 million for 2 investments.
- Net Asset Value was \$23.07 per share at year-end 2013.

Investment Results

The Company's net decrease in net assets resulting from operations was \$661,893 or \$0.14 per share for the quarter ended December 31, 2013.

The net decrease in net assets resulting from operations is comprised of net investment income and net realized and unrealized losses on investments. Net investment income includes \$6,282 in revenues and \$432,016 of expenses, resulting in a loss of \$0.09 per share. Net realized and unrealized losses on investments totaled \$236,158. This loss was comprised of \$136,541 in realized gains and \$372,700 in net unrealized depreciation, resulting in a loss of \$0.05 per share.

At December 31, 2013, the Company's Net Asset Value was \$23.07 per share.

Portfolio and Investment Summary

At December 31, 2013, the Company had Assets of \$108.3 million, consisting of investments with a fair value of \$26.6 million ("Invested Portfolio") and cash and money market fund investments with a value of \$82.6 million. Assets, refers to net assets plus any proceeds from borrowings used to make a portfolio investment. There have been no proceeds from borrowings for the periods ending December 31, 2013 and February 28, 2014.

During its initial fiscal period ended December 31, 2013 and after the completion of our initial public offering and formation transactions, we completed 9 investments aggregating \$55.6 million, and received repayment from mandatory calls on 3 investments aggregating \$28.7 million.

Subsequent to the end of the initial fiscal period, we completed 3 investments aggregating \$23.8 million, and received repayment on 2 investments aggregating \$7.4 million.

At year-end, the Invested Portfolio, which comprised 24.6% of the Company's Assets, were generating an estimated current yield of 6.5%. This current yield does not reflect the 76.4% of predominantly cash and cash equivalent Assets held, which had a nominal yield. Incorporating the investments and repayments prior to March 1, 2014, assuming all the preferred securities in the portfolio step up to their contractual higher rates as required by their terms, the portfolio is expected to generate an estimated current yield of approximately 9.6%. This yield does not reflect the 61% of predominantly cash and cash equivalent Assets held, which had a nominal yield.

Balance Sheet and Financial Summary

At December 31, 2013, the Company's balance sheet reflected the capital raising and investment activity for the initial fiscal period from November 13, 2013 (commencement of investment operations) to December 31, 2013. At December 31, 2013, the Company had total net assets of \$108.3 million, including cash and cash equivalents totaling \$82.6 million, with zero debt outstanding.

Dividend

As of today's date, the Company declared a cash dividend of \$0.50 per share payable on April 1, 2014 for stockholders of record on March 17, 2014.

Previously, the Company paid a dividend of \$0.28 per share for the fourth quarter of 2013. This dividend reflected a partial period of 50 days through the payable date of January 2, 2014

Quarterly Conference Call

StoneCastle Financial Corp. will host a webcast and conference call on March 6, 2014 at 5:00 pm Eastern time.

The webcast will be available in the Investor Relations section of the Company's website at www.stonecastle-financial.com. To listen to a live broadcast, go to the website at least 15 minutes prior to the scheduled start time in order to register, download and install any necessary audio software. Shortly after the call, a replay of the webcast will be available for 20 days via the Company's website.

The conference call can be accessed by dialing 1-877-407-9039 for domestic callers or 1-201-689-8470 for international callers. The replay of the call can be accessed by dialing 1-877-870-5176 for domestic callers or 1-858-384-5517 for international callers. The passcode for the replay is 13574630. A replay of the conference call will be available until March 26, 2014.

About StoneCastle Financial Corp.

StoneCastle Financial Corp. is an investment company established to serve as an investor in community banks seeking capital for organic growth, acquisitions, share repurchases and other refinancing activities. With the experience and knowledge gained from its senior management team, StoneCastle Financial provides investors with exposure to community banks. StoneCastle Financial is focused on investing its capital in long-term, passive, non-control investments and is proud to expand access to capital for publicly traded and privately-held community banking institutions across the country. StoneCastle Financial is managed by StoneCastle Asset Management LLC. StoneCastle Financial's investment objective is to provide current income, and to a lesser extent capital appreciation, through preferred equity, subordinated debt and common equity investments in U.S. domiciled community banks. StoneCastle Financial is an SEC registered non-diversified closed-end investment company listed on the NASDAQ Global Select Market under the symbol "BANX". Shares of closed-end investment companies may trade above (a premium) or below (a discount) their net asset value. There is no assurance that StoneCastle Financial will achieve its investment objective. StoneCastle Financial is subject to numerous risks, including investment risks. Shares of StoneCastle Financial may not be appropriate for all investors. Investors should review and consider carefully the StoneCastle Financial's investment objective, risks, charges and expenses. Past performance does not guarantee future results. Investment return and market value of an investment in the Company will fluctuate. Shares, when sold, may be worth more or less than their original cost. Learn more at www.stonecastle-financial.com.

Forward-Looking Statements

This press release contains statements that are not historical facts but are forward-looking statements based on current management expectations that involve 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.

The Annual Report and other regulatory filings of the Company with the Securities and Exchange Commission ("SEC") are accessible on the SEC's website at www.sec.gov and on the Company's website at www.stonecastle-financial.com, and may discuss these or other factors that affect the Company. The information contained on the Company's website is not a part of this press release.

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