

StoneCastle Financial Corp. - An Undiscovered Company Delivering High Quality Dividend Yield and Risk-Adjusted Returns

CEOCFO interviews StoneCastle Financial Corp. Chairman & CEO Mr. Sanjai Bhonsle on the Company's focus on generating meaningful incremental dividend yield.



DENVER, COLORADO, US, February 8, 2021 /EINPresswire.com/ -- [CEOCFO Magazine](https://www.ceocfo.com/), an independent business and investor publication that highlights important technologies and companies, today announced an interview with Mr. Sanjai Bhonsle, Chairman & CEO of [StoneCastle Financial Corp.](https://www.stonecastlefinancial.com/) (NASDAQ:

BANX), a Denver, Colorado-based closed-end investment Company that invests primarily in banking-related assets.



We generate a meaningful amount of incremental dividend yield versus our peers."

Sanjai Bhonsle

<https://www.ceocfointerviews.com/stonecastlefinancial21.html>)

"When we compare ourselves to our peers on a yield basis,

we generate a meaningful amount of incremental dividend yield versus our peers," said Mr. Bhonsle during the interview with CEOCFO's Senior Editor Lynn Fosse. Continuing his thoughts on one of the key messages about StoneCastle Financial Corp., Mr. Bhonsle said, "The dividend yield on BANX for StoneCastle Financial Corp., today is around 8%. When you compare StoneCastle Financial against other indices in the marketplace and particularly in financial services, we have over a 500-basis points advantage versus those indices and the indices I am talking about are the XLF or the Select Financial SPDR Fund, which has under a 2.0% dividend yield today, and the KBW Banking Index, which has a 2.4% yield today."

In the interview, Mr. Bhonsle explained the Company's focus, "StoneCastle Financial is a Company that is structured as a closed-end investment management fund, that invests in bank related securities both in the community bank and money-center banking space. The Company's strategy is to make long-term passive, non-control investments in bank issued term loans, senior and subordinated debt, alternative capital securities and equity." Mr. Bhonsle shared thoughts

on the Company's portfolio saying, "If you were to look at the portfolio, it is made up of diversified investments across thirty states with Indiana, California and New York being the top three states in terms of exposure."

Asked about changes in the strategy over the past year, Mr. Bhonsle replied, "What happened after the transition was, we augmented the small bank strategy with a big bank strategy which includes money center banks. Today, we are a Company that is actively investing in alternative capital securities issued by money center banks, as well as securities issued by community banks across the country. This allows StoneCastle the flexibility to take advantage of the most advantageous investment opportunities available in the primary and secondary markets with the strongest positioning of providing risk-adjusted returns."

Asked why that strategy makes sense for their investors, Mr. Bhonsle continued, "From an investment perspective, the Company remains focused on the banking strategy and investing in bank-related securities. Also, it is a Company that is really focused on income generation, and as yields have compressed in the community banking space, we have been able to grow the earnings of the Company on a quarterly basis by augmenting it with the large bank investment strategy or alternative capital securities that yield in the low double-digits, between 10% and 12%. Incremental yield and income generation has made a lot of sense to investors from that perspective. The Company's ability to earn incremental returns has expanded, while leaving the risk profile of the fund the same, if not better, because the banks that we invest in are on average, investment-grade rated banks."

As to his thoughts on StoneCastle as an impact investment, Mr. Bhonsle told CEOCFO, "ESG (Environmental, Social and Governance), along with impact is a growing discussion among investors and the broader stakeholder community and that is not missed by us. If you were to look at community banks, they have a significant and positive impact when you look at the local markets in terms of community development, financial inclusion, and job creation." He continued, "In terms of numbers, if you were to look out there, 74% of all the minority-owned businesses got their loans from a community bank. 73% of all the women-owned businesses out there got their loans from a community bank and 64% of all the veteran-owned businesses out there got their loans from a community bank. You can see the impact that community banks have in supporting these businesses. Community banks exponentially serve their local and rural



communities and provided PPP loans to 98% of the economically distressed or low-income counties in the US, so that is a meaningful impact. For those investors seeking an impact play on local markets, we believe StoneCastle Financial at nearly an 8% dividend yield, should be under consideration."

Addressing what someone would miss when first looking at StoneCastle Financial, Mr. Bhonsle responded, "I think what might be missed with our potential investors is that the advisor to the Company is a fairly large asset manager that manages assets across different verticals and thus from a resources perspective the Company has available to it meaningful resources that it can rely on, and that was very much evident during the pandemic when we were able to take advantage of buying relatively cheap alternative capital securities in the secondary market; something that was not available to the Company prior to the transition to ArrowMark Partners." He went on to say, "We do sometimes get lumped in with other BDCs, but we are not a BDC. We are a Company structured as a closed-end investment management fund, that invests in banking related securities. Those are two things that I would like to mention to people that are not that familiar with who we are."

For more information:

Lynn Fosse
Senior Editor
CEOCFO Magazine
352-431-3400
lf@ceocfomail.com

Lynn Fosse, Senior Editor
CEOCFO Magazine
+1 352-431-3400
[email us here](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/535343213>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2021 IPD Group, Inc. All Right Reserved.