



John Augustine, EVP – CFO
Quaint Oak Bancorp, Inc. (OTCQX: QNTO)

OTC Markets Group (OTCM): What should investors know about Quaint Oak Bancorp, Inc.?

John Augustine: Quaint Oak Bancorp, Inc. (the “Company”) was formed in connection with Quaint Oak Bank’s conversion to a stock savings bank completed on July 3, 2007. The Company owns Quaint Oak Bank which in turn has four wholly-owned operating subsidiaries, Quaint Oak Mortgage, LLC, Quaint Oak Real Estate, LLC, Quaint Oak Abstract, LLC, and Quaint Oak Insurance Agency, LLC. The mortgage, real estate, abstract and insurance companies offer mortgage banking, real estate sales and title abstract services, along with a broad range of personal and commercial insurance coverage solutions, respectively.

Quaint Oak Bancorp is our publicly traded holding company. The Company is traded on the OTCQX Market under the symbol QNTO. Directors, officers, many of our employees and our employee benefit plans own approximately 34% of the Company’s stock. We recently announced an increase in our quarterly cash dividend from \$0.07 to \$0.09 per share. This represents an increase of 29% over the prior dividend rate. The payout ratio to stockholders was approximately 33% for the quarter-ended March 31, 2019, prior to the increase in our quarterly cash dividend rate.

OTCM: What were your major accomplishments in the past year?

John Augustine:

- On December 27, 2018, we completed a private offering of \$8.0 million in aggregate principal amount of fixed-to-floating rate subordinated notes to enhance our already strong capital position. This capital raise, along with continued profitability, puts us in a position to accelerate the growth of the Company.
- Our mortgage company subsidiary exceeded \$100.0 million in loans closed during the year ended December 31, 2018. Also in 2018, Lehigh Valley Business awarded Quaint Oak Mortgage the “Fastest Growing Companies” designation for the third consecutive year.
- Quaint Oak Bancorp, Inc.’s net income for the year ended December 31, 2018, surpassed the \$2.0 million mark.

OTCM: How does Quaint Oak Bancorp differentiate itself from its competitors and what is your growth strategy?

John Augustine: Quaint Oak Bancorp is part of a family of companies consisting of five closely related, synergistic operating companies. The Company owns Quaint Oak Bank, which in turn owns four additional operating subsidiary companies. The subsidiary companies are Quaint Oak Mortgage, Quaint Oak Real Estate, Quaint Oak Abstract and Quaint Oak Insurance. All of our operating companies have been intentionally joined together to benefit both businesses and consumers alike.

Quaint Oak Bank, having been established in 1926, has more than 90 years of history adapting and responding to changing markets, which has enabled us to grow, explore new technology, and engage new communities. Through the delivery of our products and services, we embrace both highly personal and digital concepts in each of our operating companies. We operate Quaint Oak Bank in a cashless environment from two Regional Offices rather than multiple local high cost physical locations. We embrace today's consumer concept of "Banking is what you do not where you go."

Growth Strategy:

- Leverage our capital to continue to grow each of our operating companies and the franchise value of the Company as a whole.
- Continue our targeted cross-selling efforts across all of the Company's operating units, leveraging the synergies that exist between them.
- Continue to expand the marketing efforts for all our operating companies by focusing on brand awareness, products and services.
- Continue to focus on effectively growing our non-interest income, which for the last twelve months ended March 31, 2019 represented 32% of our total income and 1.53% of our average assets, placing us above the 85th percentile in our FDIC peer group.

OTCM: Quaint Oak Bancorp joined OTCQX in 2014. How are you leveraging OTCQX as part of your investor relations program?

John Augustine: We hope to continue to leverage the OTCQX to enhance the visibility of our stock, showcase the value of our organization, and provide liquidity to our shareholders.