

# Quontic Bank Acquisition Corp. Announces Pricing and Closing of \$8,000,000 Non-Cumulative Perpetual Preferred Stock Amongst Investor Consortium in a Private Placement

Quontic Secured One of the Lowest Coupons for a Bank With Under \$20 Billion in Assets While Providing Investor Consortium Significant Community Reinvestment Act ("CRA") Benefits

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**Quontic** →

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NEW YORK, March 5, 2020 /PRNewswire/ -- Quontic Bank Acquisition Corp., the ultimate parent company of Quontic Bank (together, "Quontic"), today announced the pricing and closing of a private placement (the "Offering") of 8,000 shares of its 5.99% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A (the "Series A preferred stock"), with a liquidation preference of \$1,000 per share, amongst an investor consortium (the "Consortium"). Quontic achieved a remarkable lowest-priced coupon for any bank of its size conducted under a broadly marketed offering.

Quontic's net proceeds from the offering will be used for general corporate purposes, including the increased ability to onboard greater community development loan production for Quontic's balance sheet versus selling into the secondary market. The capital will also allow Quontic, as the Adaptive Digital Bank®, to accelerate its current mission to digitally transform to become an API first bank and further efforts to be a leader in providing mortgages for self-employed borrowers, immigrants, and low-income families.

"We are excited to announce this unique round of funding for Quontic, which provides us significantly cost-efficient Tier 1 capital that further supports our mission as an adaptive digital Community Development Financial Institution ("CDFI") and provides the Consortium with meaningful CRA credit. We believe this type of investment is the first of its kind for a CDFI bank and we thank our new partners for their participation in the Offering," said Steven Schnall, CEO and Chairman of Quontic. "The investment is a great way to commemorate our ten-year anniversary and signifies a meaningful vote of confidence in our business model, which reflects a transformed banking approach that adapts to the diversity of circumstances that exist in our customers' lives while providing innovative banking services to elevate their financial strength."

Performance Trust Capital Partners served as exclusive financial advisor to Quontic and sole placement agent in the Offering. Hunton Andrews Kurth LLP served as Quontic's legal counsel in the Offering.

### **About Quontic**

Quontic is the Adaptive Digital Bank®, offering entrepreneurs, immigrants, millennials, low-income families, seniors, and others innovative banking products and services, which embrace the diversity of circumstances that exist in its customers' lives while elevating their financial strength. Quontic strives to give its customers the underdog edge by offering unique products such as its Community Development Mortgage Loan (no tax returns, W2s or pay stubs required) and more. Quontic is a privately held company based in New York, New York. Follow and connect with Quontic on Facebook and Instagram.

### **No Offer or Solicitation**

This press release does not constitute an offer to sell, a solicitation of an offer to sell or the solicitation of an offer to buy any securities. There will be no sale of securities in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

### **Forward Looking Statements**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements about our expectations, beliefs, plans, predictions, protections, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. Forward-looking statements are typically, but not exclusively, identified by the use of forward-looking terminology such as "believes," "expects," "could," "may," "will," "should," "seeks," "likely," "intends" "plans," "pro forma," "projects," "estimates" or "anticipates" or the negative of these words and phrases or similar words or phrases that are predictions of or indicate future events or trends and that do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: business and economic conditions generally and in the bank and non-bank financial services industries, nationally and within our local market areas; our ability to mitigate our risk exposures; our ability to maintain our historical earnings trends; our ability to successfully identify and address the risks associated with any possible future acquisitions, including risks related to integration; changes in management personnel; interest rate risk; credit risk associated with our loan portfolio; deteriorating asset quality and higher loan charge-offs; time and effort necessary to resolve nonperforming assets; inaccuracy of the assumptions and estimates we make in establishing reserves for probable loan losses and other estimates and projections; lack of liquidity; fluctuations in the fair value and liquidity of the securities we hold for sale; impairment of investment securities, goodwill, other intangible assets or deferred tax assets; our risk management strategies; increased competition in the bank and non-bank financial services industries, nationally, regionally or locally, which may adversely affect pricing and terms; the accuracy of our financial statements and related disclosures; system failures or failures to prevent breaches of our network security; the institution and outcome of litigation and other legal proceedings against us or to which we become subject; changes in federal tax law or policy; the impact of recent and future legislative and regulatory changes, including changes in banking, securities and tax laws and regulations, and their application by our regulators; governmental monetary and fiscal policies; and increases in our capital requirements.

While forward-looking statements reflect our good-faith beliefs, they are not guarantees of future performance. All forward-looking statements are necessarily only estimates of future results. Accordingly, actual results may differ materially from those expressed in or contemplated by the particular forward-looking statement, and, therefore, you are cautioned

not to place undue reliance on such statements. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events or circumstances, except as required by applicable law.

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