

NewtekOne[®]

NASDAQ: NEWT

**Fourth Quarter & Full Year 2023
Financial Results Conference Call
UPDATED April 1, 2024**

Hosted and Presented by:

Barry Sloane, CEO & President

M. Scott Price, CFO

Nicholas Leger, EVP & CAO

Attendees

Nicolas Young, President, Newtek Bank, N.A.

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Note Regarding Forward-Looking Statements

Certain statements in this fact sheet are “forward-looking statements” within the meaning of the rules and regulations of the Private Securities Litigation and Reform Act of 1995. Information regarding the Company’s assets under supervision, capital ratios, risk-weighted assets, supplementary leverage ratio and balance sheet data consists of preliminary estimates and are subject to change with the filing of the Company's Form 10-K for the period ended December 31, 2023. These statements and other forward-looking statements herein are based on the current beliefs and expectations of NewtekOne's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. In addition, earnings per share guidance reflects risks, uncertainties and assumptions with respect to facts and circumstances that are beyond our control, in particular concerning interest rates, monetary policy and prevailing economic conditions (including the impacts from a government shutdown) during the relevant periods, any of which may differ significantly from our assumptions about the applicable period, causing our actual operating results, including our earnings per share, to differ materially from the stated guidance. See “Note Regarding Forward-Looking Statements” and the sections entitled “Risk Factors” in our filings with the Securities and Exchange Commission available on NewtekOne's website (<https://investor.newtekbusinessservices.com/sec-filings>) and on the Securities and Exchange Commission’s website (www.sec.gov). Any forward-looking statements made by or on behalf of NewtekOne speak only as to the date they are made, and NewtekOne does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made.

This Presentation has been updated with the Company’s April 1, 2024 filing of its annual report on Form 10-K for the period ended December 31, 2023.

- This is our fourth quarter, and third full quarter, reporting as a financial holding company under consolidated accounting treatment
- On January 6, 2023, we completed the acquisition of National Bank of New York City (renamed Newtek Bank, N.A.) and withdrew our BDC election.
- Important points of focus for this presentation
 - Quarter-over-quarter sequential comparisons
 - Increased bank analyst coverage on NewtekOne, Inc.
 - Demonstrated ability to raise insured deposits quickly with a high growth rate and through digital account opening
 - We do not have interest rate risk issues that are currently present in the industry. Many financial institutions have long-duration fixed-rate bond and/or loan portfolios not matched by time deposits. We do not.
 - We believe our return on average assets (“ROAA”) and return on average tangible common equity (“ROTCE”), and capital ratios can exceed industry norms, which differentiates NewtekOne as a business and financial solutions provider to independent businesses that also owns a depository
- The Company’s 2023 prior-period comparative financial statements have been adjusted to revise certain line items in the Company’s condensed financial information as of and for the first three quarterly periods of 2023 as previously reported (see Company’s earnings release)

Newtek Bank, N.A. Summary Financial Highlights

	Financial Performance				
	1Q23	2Q23	3Q23	4Q23	FY 2023
ROAA	-2.7%	5.1%	6.0%	9.9%	5.7%
ROE	-10.7%	32.1%	42.8%	64.8%	34.7%
ROTCE	-10.5%	33.1%	44.0%	66.3%	35.7%
Efficiency Ratio	114.6%	53.1%	40.3%	34.4%	49.9%

	Growth			
	1Q23	2Q23	3Q23	4Q23
HFI Loans (Ending)	5%	31%	29%	20%
HFI Loans (Average)	2%	29%	78%	72%
Deposits (Ending)	81%	81%	-1%	17%
Deposits (Average)	30%	112%	24%	1%

	Margin				
	1Q23	2Q23	3Q23	4Q23	FY 2023
Avg Yield on Loans	6.20%	8.23%	8.49%	9.26%	8.35%
Avg Rate on Deposits	3.37%	4.32%	4.44%	4.40%	4.27%
Avg Rate on Funding	3.28%	4.22%	4.35%	4.32%	4.17%
Net Interest Margin (NIM)	2.95%	3.19%	3.49%	4.43%	3.63%

	Capital & Credit			
	1Q23 ¹	2Q23 ¹	3Q23 ¹	4Q23
CET 1	33.8%	28.1%	23.8%	21.5%
Total Capital	34.8%	29.4%	25.0%	22.8%
Leverage	27.1%	16.9%	14.9%	16.6%
NPL/Total Loans	2.01%	1.53%	1.87%	1.60%
ACL/Loans HFI	1.31%	2.18%	2.92%	3.74%

- 4Q23 returns driven by strong volume of origination and sales of loans
- Yields on loans impacted by 3Q23 increase in Fed Funds Rate; deposit costs relatively stable through the quarter
- Sustained reliance on Digital Deposit Channel for funding
- Maintained strong capital position and prudent increases in absolute levels of credit-loss reserves

¹ Preliminary capital ratios

Note: Reconciliations of non-GAAP financial measures to the most comparable GAAP measures are set forth on pages 32 and 33.

NewtekOne, Inc. Summary Financial Highlights

	Financial Performance				
	1Q23	2Q23	3Q23	4Q23	FY 2023
ROAA	6.6%	2.1%	3.0%	3.1%	3.6%
ROE	38.8%	12.0%	18.8%	19.7%	21.3%
ROTCE	52.9%	15.4%	20.8%	25.7%	27.6%
Efficiency Ratio	83.1%	75.6%	63.8%	66.6%	76.3%

	Growth			
	1Q23	2Q23	3Q23	4Q23
Total Loans	57%	6%	2%	10%
Total Deposit	100%	81%	-3%	7%
Total Deposits+Borrowings	75%	21%	-6%	2%

	Margin				
	1Q23	2Q23	3Q23	4Q23	FY 2023
Avg Yield on Loans	8.95%	8.94%	9.64%	9.52%	9.29%
Avg Rate on Deposits	3.58%	4.42%	4.46%	4.62%	4.42%
Avg Rate on Funding	6.83%	6.48%	6.53%	6.48%	6.56%
Net Interest Margin (NIM)	2.00%	2.01%	2.60%	2.76%	2.37%

	Capital			
	1Q23 ¹	2Q23 ¹	3Q23 ¹	4Q23
CET 1	16.4%	12.7%	15.1%	16.2%
Total Capital	18.6%	15.1%	17.7%	19.1%
Leverage	14.8%	10.5%	14.6%	13.6%

Summary Income Statement	1Q'23	2Q'23	3Q'23	4Q'23	\$ Change 3Q'23 vs. Q4'23	% Change 3Q'23 vs. Q4'23	FY'23
	Net Interest Income	4,583	5,673	8,077	8,301	224	2.8%
Provision for Credit Losses	1,318	2,575	3,446	4,365	919	26.7%	11,704
Non-Interest Income	42,356	44,285	41,024	49,107	8,083	19.7%	176,772
Non-Interest Expense	39,023	37,777	31,320	38,209	6,889	22.0%	146,329
Earnings Before Tax	6,598	9,605	14,337	14,834	497	3.5%	45,373
Net Income Available to Common	18,550	7,011	10,919	10,444	(475)	-4.4%	45,875
Diluted Earnings Per Share	\$ 0.74	\$ 0.27	\$ 0.43	\$ 0.43	\$ (0.00)	-0.3%	\$ 1.88

¹ Preliminary capital ratios

Note: Reconciliations of non-GAAP financial measures to the most comparable GAAP measures are set forth on pages 32 and 33.

- We have no desire to operate like a traditional bank, and we offer so much more to our clients than traditional banks, however we tend to be valued as a bank and bank-holding company by the investment community
- We are focused on ROTCE, ROAA, and not assets under management and coupon clipping on which traditional banks focus
- Overweighting of non-interest income versus traditional bank interest income
- Margins and returns are higher than that of a traditional bank
- **Yes**, our credits remain strong lending to small- to medium-sized businesses
- **Yes**, we will be able to raise deposits
- **Yes**, we will be able to raise lower-cost transactional-based deposits
- **Yes**, gain-on-sale realized on the sale of the guaranteed portions of SBA 7(a) loans is reoccurring
- **Yes**, a bank or financial holding company can also be a growth company.
- What is our alternative loan program, its history, and its future?
- What our non-bank subsidiaries (Newtek Payments Solutions, Newtek Technology Solutions, Newtek Insurance Solutions and Newtek Payroll Solutions) do

- Primary earnings engines for NewtekOne
 - Newtek Bank
 - Newtek Small Business Finance (“NSBF,” legacy portfolio of SBA 7(a) loans)
 - Newtek Payments:
 - Newtek Merchant Solutions
 - Mobil Money
 - Newtek Payment Solutions
 - Newtek Technology Solutions
 - Other:
 - Non-conforming Joint Venture Portfolios
 - Newtek Insurance Agency
 - Newtek Payroll & Health Benefits Solutions

NewtekOne's Diversified Streams of Revenue and EBITDA

Full-Year 2023 (\$ in millions)	Revenues	%	EBITDA	%
Newtek Bank	\$109.9	55%	\$40.8	41%
Newtek Small Business Finance	\$46.1	23%	\$44.0	44%
Newtek Payments	\$44.9	22%	\$17.9	18%
Newtek Technology Solutions	\$31.4	16%	\$3.3	3%
Corp and Other	\$2.5	1%	-\$1.7	-2%
Eliminations	<u>(\$34.5)</u>	<u>-17%</u>	<u>(\$4.2)</u>	<u>-4%</u>
Total NewtekOne	\$200.3		\$100.1	

NewtekOne's Average Earning Assets And Interest-Bearing Liabilities

<i>\$ in millions</i>	1Q23		2Q23		3Q23		4Q23	
	\$	%	\$	%	\$	%	\$	%
<u>Assets</u>								
Interest Earning Cash	114.9	3.46%	218.2	4.65%	238.7	5.10%	173.3	5.21%
Investment Portfolio	20.9	4.51%	34.8	4.79%	36.4	4.75%	35.6	4.85%
Total Loans	793.5	8.95%	879.4	8.94%	956.0	9.64%	985.6	9.52%
Total Int Earning Assets	929.2	8.17%	1,132.4	7.99%	1,231.1	8.62%	1,194.5	8.76%
<u>Liabilities</u>								
Deposits								
Demand	24.3	0.00%	21.5	0.30%	22.4	0.12%	23.8	0.33%
Savings	8.9	4.22%	118.4	4.79%	198.5	5.02%	245.3	5.09%
Money Market	20.4	4.35%	11.3	4.97%	30.1	4.87%	26.3	4.86%
Time	113.8	4.15%	216.6	4.59%	201.7	4.57%	142.9	4.49%
Total Deposits	167.3	3.58%	367.8	4.42%	452.7	4.46%	438.4	4.62%
Borrowings	672.2	7.64%	677.2	7.60%	680.9	7.84%	668.5	7.69%
Total Int Bearing Liabs	839.5	6.83%	1,045.0	6.48%	1,133.6	6.53%	1,107.0	6.48%
Net Interest Spread		1.34%		1.51%		2.09%		2.28%
Net Interest Margin		2.00%		2.01%		2.60%		2.76%

The Newtek Advantage[®]

- The Newtek Advantage[®] provides NewtekOne's clients analytics, relationships and transactional capability that other banks do not
- Newtek Advantage[®] gives our business clients a management asset that can enhance their business operations
- What a Client Receives When they Open a Newtek Advantage[®] Account
 - Free unlimited document storage
- Free real-time updated traffic analytics
- If a merchant solutions client, they will receive free real-time chargeback batch information
- If also a payroll client, they will receive the ability to make payroll directly from business portal
- Six NewtekOne professional relationships available on camera
 - Deposits
 - Newtek Lending
 - Newtek Insurance
 - Newtek Payroll & Health Benefits
 - Newtek Technology
 - Newtek Payments
- We believe the Newtek Advantage[®] can become a market-recognized tool and solution that NewtekOne's clients ultimately will not want to be without
- Newly launched Newtek Advantage[®] additions: Newtek Accounting¹

¹All accounting services are to be provided by 1-800Accountant. 1-800Accountant is not an affiliate of NewtekOne. NewtekOne does not provide accounting or tax advice or service.

Newtek Advantage[®] Distribution Capability

- At the end of October 2023, we rolled out the Newtek Advantage[®], unveiling this offering to 5,000 existing NewtekOne clients that are now aware of the multiple ways in which NewtekOne can help independent business owner customers become more successful by reducing their risk, growing their revenue, and reducing expenses by partnering with NewtekOne to process their business
- We have approximately 5,000 monthly active users, meaning that there are approximately 5,000 clients that login at least once within a month
- Note that we have changed all NewTracker[®] customer accounts to Newtek Advantage[®], so any user who had a NewTracker[®] login is now able to see Newtek Advantage[®]
 - There are approximately 340,000 users that have the ability to see Newtek Advantage[®]
- In the past 40 months, approximately 295,000 NewTracker[®] users have logged in at least once

Financial Highlights

Fourth Quarter 2023

- Net income was \$10.8 million, or \$0.43 per basic and diluted common share, for the three months ended December 31, 2023 compared to net income of \$10.9 million, or \$0.43 per basic and diluted common share, for the three months ended September 30, 2023
- Net interest income was \$8.3 million for the three months ended December 31, 2023; an increase of 2.5% over \$8.1 million for the three months ended September 30, 2023
- Total assets were \$1.4 billion at December 31, 2023, which remained relatively consistent to the balance at September 30, 2023
- Cash and cash equivalents were \$184.0 million, including \$30.9 million of restricted cash, at December 31, 2023; a decrease of 17.7% from to \$223.7 million, including \$71.7 million of restricted cash, at September 30, 2023
- Loans held for investment were \$806.1 million at December 31, 2023; an increase of 4.1% over \$774.6 million at September 30, 2023
- Total borrowings were \$644.1 million at December 31, 2023; a decrease of 0.7% from \$648.7 million at September 30, 2023
- On December 11, 2023, NewtekOne's board of directors declared the Company's fourth quarterly dividend as a financial holding company of \$0.18 per share
 - The dividend was paid on January 12, 2024 to shareholders of record as of December 29, 2023

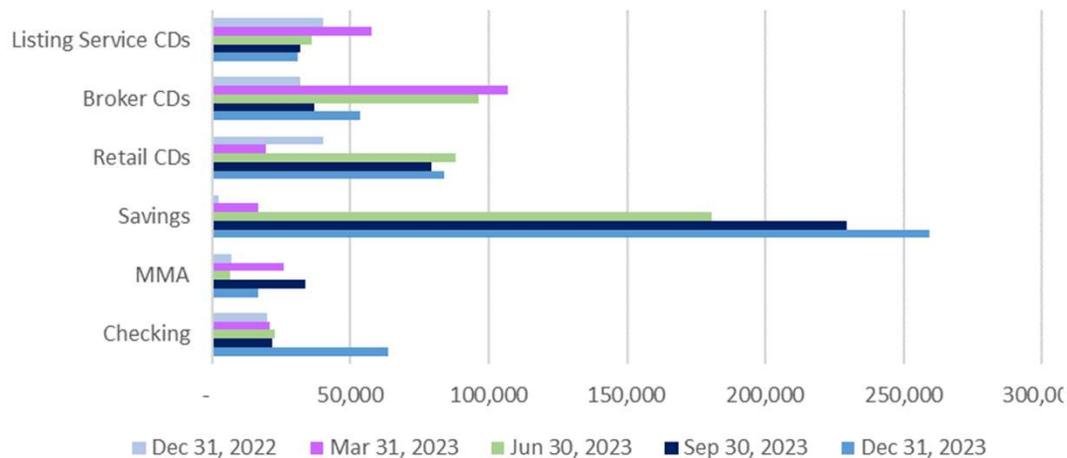
Full Year 2023

- Net income was \$47.3 million, or \$1.89 per basic common share and \$1.88 per diluted common share, for the twelve months ended December 31, 2023, which is in line with our previously stated full year earnings guidance of \$1.60 to \$1.80 per basic and diluted common share
- Net interest income was \$26.6 million for the twelve months ended December 31, 2023

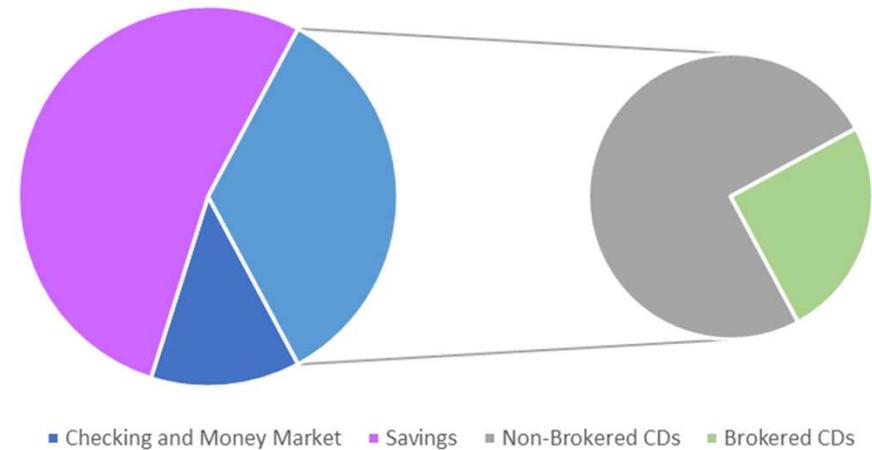
- M. Scott Price, CFO, NewtekOne & Newtek Bank, Principal Financial Officer
 - Joined May 2023
- Frank DeMaria, EVP, Chief Accounting Officer, NewtekOne
 - Joined May 2023
- Nick Leger, SVP and Treasurer, NewtekOne and Newtek Bank
 - Joined in 2015
- Jonathan Shanfield, SVP, Managing Director, Performance Management and Reporting, NewtekOne
 - Joined January 2024
- Julio Hernandez, SVP, Compliance Officer, Newtek Bank
 - Joined December 2023
- Matthew Sauli, VP. Director of Finance & Accounting Operations, NewtekOne
 - Joined January 2024
- Taylor Quinn, Chief Risk Officer, NewtekOne & Newtek Bank
 - Joined April 1, 2024

Newtek Bank Deposit Growth and Breakdown

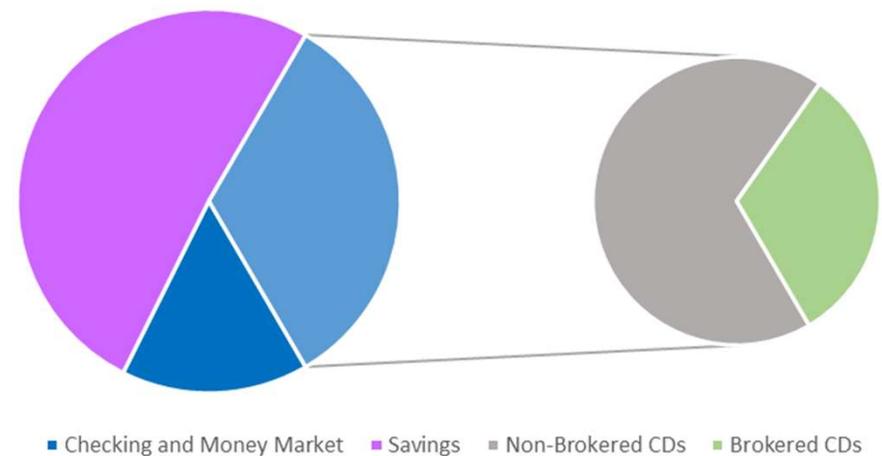
Newtek Bank, N.A. Deposit Composition



Sep 30, 2023



Dec 31, 2023



- Re-opened the high-yield savings product to the market in August 2023, generating steady net inflows through the fourth quarter
- Brought in deposits by affiliates that increased business accounts by \$47 million
- Weighted average cost of deposits of 4.40% for fourth quarter 2023, down from 4.44% in the third quarter 2023

Q4 & FY 2023 Lending Activity

SBA 7(a) Loans

- Total SBA 7(a) loans funded of \$260.7 million for the three months ended December 31, 2023; an increase of 24.2% over \$209.9 million of SBA 7(a) loans funded for the three months ended September 30, 2023
- Total SBA 7(a) loan fundings of \$815.0 million for the twelve months ended December 31, 2023, a new annual funding record for the Company, and a 5.1% increase over \$775.6 million of SBA 7(a) loan fundings for the twelve months ended December 31, 2022
- SBA 7(a) loan portfolio in Newtek Bank reached \$169.6 of million at December 31, 2023
- The Company forecasts \$925.0 million in total SBA 7(a) loan fundings in 2024, which would represent a 13.5% increase over 2023

SBA 504 Loans

- Newtek Bank closed \$60.5 million of SBA 504 loans for the three months ended December 31, 2023; an increase of 241.7% over \$17.7 million SBA 504 loans closed for the three months ended September 30, 2023
- Total SBA 504 loan closings of \$142.9 million for the twelve months ended December 31, 2023

Total Loans

- Newtek Bank and the Company's non-bank subsidiaries, closed a record \$1.1 billion of loans, across all loan products, for the twelve months ended December 31, 2023, compared to \$911.5 million for the same period in 2022

Total Loans Across All Products	As of		Year-Over-Year % Change
	2/28/2023	2/29/2024	
Prequalified	\$745,122,957	\$949,022,874	27.4%
Underwriting	\$206,581,674	\$337,644,403	63.4%
Approved Pending Closing	\$200,943,334	\$217,620,530	8.3%
Total	\$1,152,647,965	\$1,504,287,807	30.5%

Alternative Loan Program	As of		Year-Over-Year % Change
	2/28/2023	2/29/2024	
Prequalified	\$74,940,000	\$220,828,000	194.7%
Underwriting	\$26,397,000	\$86,816,266	228.9%
Approved Pending Closing	\$22,040,000	\$32,100,000	45.6%
Total	\$123,377,000	\$339,744,266	175.4%

SBA 7(a)	As of		Year-Over-Year % Change
	2/28/2023	2/29/2024	
Prequalified	\$476,937,033	\$489,223,499	2.6%
Underwriting	\$120,202,000	\$208,676,637	73.6%
Approved Pending Closing	\$119,148,600	\$144,546,300	21.3%
Total	\$716,287,633	\$842,446,436	17.6%

Total Loan Portfolio at 12/31/2023

- 1,693 Loans
- Outstanding Balances: \$401,437,500.90
- Unfunded Commitments: \$46,032,361.67
- Total Exposure: \$447,469,862.57

Total Exposure is broken down as follows:

- C&I Loans: 1,547 loans for \$253,523,838 (56.66% of total exposure)
- CRE Loan: 146 loans for \$193,946,025 (43.34% of total exposure)(Investor/multi-tenant/owner-occupied)

Key Points on overall portfolio:

- Currency rate (less than 30 days past due) is 97.73% of the total portfolio
- Percentage of CRE composition continues to decrease. Legacy NBNYC portfolio was comprised of 100% CRE originations at acquisition. The Newtek Bank model allows for greater diversification from our NewTracker™ referral platform into various types of C&I loans, SBA 7(a), SBA 504, and conventional bank offerings
- Geographic and industry diversification is also being achieved through our NewTracker™ sourcing model which continues to generate between 800 to 1,000 new lending opportunities daily
- Our proprietary lending portal enables us to respond quickly and efficiently to this volume of referrals which allows Newtek Bank to continue to build its portfolio in large numbers of diverse credits

Total CRE Portfolio at 12/31/2023 (broken down)

- Total CRE Portfolio exposure: \$193,946,024
- Land and Construction loans made under the SBA 504 loan program (owner-occupied properties): \$56,404,505
- Hotel loans made under the SBA 504 loan program: \$4,681,912
- CRE loans not made under the SBA 504 loan program (non-owner-occupied properties): \$132,859,608

Key points on overall CRE Portfolio

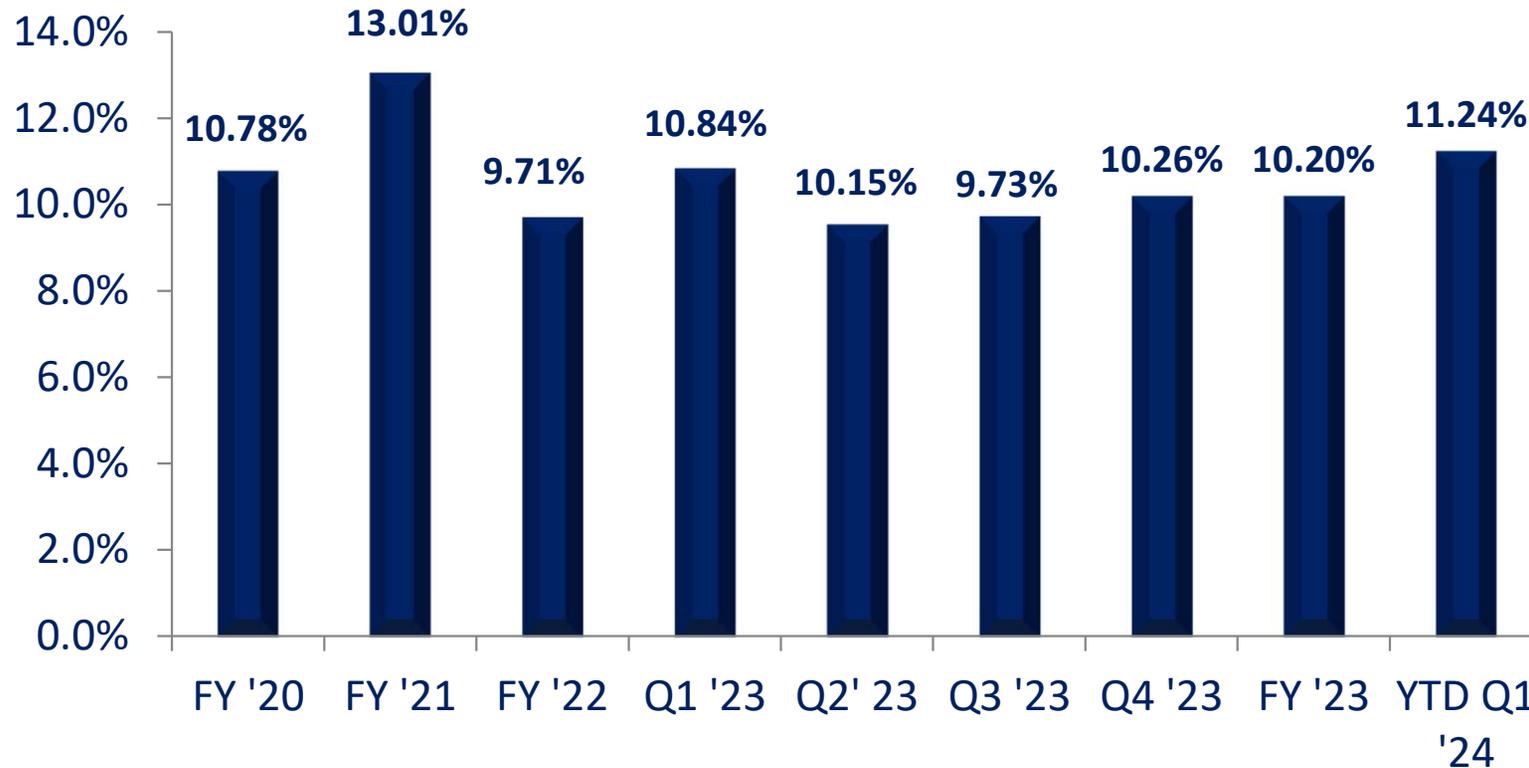
- The non-owner occupied portion of the CRE portfolio is broken down as follows (primarily personally guaranteed):

	<u>#</u>	<u>\$</u>	<u>% of total CRE portfolio</u>
• Retail	30	40,414,080	20.84%
• 1-4 Family Investment	31	31,663,150	16.33%
• Multifamily	32	29,770,158	15.35%
• Industrial	9	23,433,125	12.08%
• Office	3	4,127,884	2.13%
• Other	2	3,451,209	1.78%

- The weighted-average LTV for the CRE portfolio stands at 60.84%. Key segments are as follows:
 - Multi-family 51.33%
 - Office 48.92%
 - Retail 49.71%

- We originated \$555.9 million SBA 504 loans since 2017, and have not experienced any charge offs to date
- The Company and its joint ventures have originated \$215.5 million of alternative loan program loans (formerly known as non-conforming conventional loans) since 2019, and have not experienced any charge offs to date

Net Premium Trends



- For the three months ended December 31, 2023, the weighted average net premium received on the sale of guaranteed portions of SBA 7(a) loans was 110.26%
- For the twelve months ended December 31, 2023, the weighted average net premium received on the sale of guaranteed portions of SBA 7(a) loans was 110.20%
- Year-to-date through March 1, 2024, the weighted average net premium received on the sale of guaranteed portions of SBA 7(a) loans was 111.24%

Note: Net premiums received on the sale of guaranteed portions of SBA 7(a) loans are recorded as net gains on sale of the guaranteed portions of SBA 7(a) loans originated in the consolidated statements of operations. Premiums above 10% are split 50/50 with the SBA as reflected above.

NMS, Mobil Money, POS on Cloud (in thousands)

	Revenue	Pre-tax Income	EBITDA
Q1 '23	\$10,566	\$2,795	\$3,422
Q2 '23	\$10,841	\$2,831	\$3,458
Q3 '23	\$11,393	\$3,777	\$4,494
Q4 '23	\$11,240	\$3,577	\$3,986
FY '23	\$44,040	\$12,980	\$15,360

NMS, Mobil Money, POS on Cloud (in thousands)

	Revenue	Pre-tax Income	EBITDA
FY '22	\$43,261	\$13,314	\$16,100
FY '23	\$44,040	\$12,980	\$15,360
FY '24 Forecast	\$47,145	\$16,000	\$16,600

Financial metrics in the chart above include the elimination of certain intercompany revenues and expenses within the consolidated group

Newtek Insurance Agency Solutions (in thousands)			
	Revenue	Pre-tax Income	EBITDA
Q1 '23	\$705	\$13	\$13
Q2 '23	\$854	\$137	\$137
Q3 '23	\$1,043	\$375	\$376
Q4 '23	\$749	\$6	\$7
FY '23	\$3,351	\$531	\$533

Newtek Insurance Agency Solutions (in thousands)			
	Revenue	Pre-tax Income	EBITDA
FY '22	\$2,196	\$248	\$250
FY '23	\$3,541	\$721	\$723
FY '24 Forecast	\$4,750	\$840	\$840

Financial metrics in the chart above include the elimination of certain intercompany revenues and expenses within the consolidated group

Newtek Payroll Solutions

Newtek Payroll Solutions (in thousands)			
	Revenue	Pre-tax Income	EBITDA
Q1 '23	\$690	\$146	\$146
Q2 '23	\$521	\$27	\$27
Q3 '23	\$664	\$167	\$167
Q4 '23	\$521	(\$80)	(\$80)
FY '23	\$2,396	\$260	\$260

Newtek Payroll Solutions (in thousands)			
	Revenue	Pre-tax Income	EBITDA
FY '22	\$1,817	(\$279)	(\$279)
FY '23	\$2,396	\$260	\$260
FY '24 Forecast	\$2,820	\$310	\$310

Financial metrics in the chart above include the elimination of certain intercompany revenues and expenses within the consolidated group

Key Financial Metrics: Q4 2023, FY2023 and FY2024E

Summary of Key Projection Assumptions

(in millions)	Q4' 23	FY 2023	FY 2024E
Origination Volumes			
SBA 7(a) ¹	\$260.7	\$815.0	\$925.0
SBA 504 ²	\$33.0	\$98.8	\$225.0
Alternative Lending Program	\$17.4	\$69.8	\$400.0
Conforming Bank Loans	\$0.5	\$30.6	\$182.0
SBA 7(a) Cash Premium	10.26%	10.16%	11.00%

FY 2023 EPS of \$1.89 per basic share and \$1.88 per diluted common share

FY 2024 EPS projection of \$1.80 to \$2.00 per basic and diluted common share:

	Low		High
1Q'24	\$0.19	--	\$0.25
2Q'24	\$0.39	--	\$0.45
3Q'24	\$0.48	--	\$0.52
4Q'24	\$0.74	--	\$0.78

Year-End 2024 Key Projections:

- HFI Loans \$1.2 Billion
- Total Deposits \$855 Million
- Net Interest Margin 3.45% - 3.55%

¹ SBA 7(a) Loans Funded

² SBA 504 Loans Closed

Company Invested in 2023 & 2024 for Growth

2023 Investments:

- The Newtek Advantage[®]
- Major enhancements to accounting staff and regulatory compliance
- Process automation for loan originations
- Digital account opening for retail depositors

2024 Initiatives:

- Newtek Advantage growth and increased impressions
- Business deposit gathering and related regulatory compliance
- Data and business performance reporting
- Expanded payment processing; leveraging the bank
- New general ledger

How Do We Grow Investor Interest

- Attend investor conferences, hosted by institutions such as Keefe, Bruyette & Woods; Piper Sandler; B. Riley Securities, and Raymond James, among others
- Plan to host an analyst day during the second quarter 2024
- In 2024, beginning with the first quarter 2024, we will be able to show year-over-year comparisons as a bank and financial holding company to demonstrate forecasted growth over the 2023 in this new corporate structure
- Maintain relationships with the six sell side analysts that have coverage on NewtekOne
- Engage in regular conference calls with institutional investors
- Anticipated and forecasted maintenance of the NewtekOne's quarterly dividend, which totaled \$0.72 per share for 2023
- Continue to execute on our business plan and model to provide high-quality financial and business solutions to our growing database of clients

Public Market Comparables

Market Comparables ⁽¹⁾

Ticker	Company	P/E CY 2023E	P/E CY 2024E ⁽²⁾	Dividend Yield ⁽³⁾	24 over 23 EPS Growth Rate ⁽²⁾
AX	Axos Financial, Inc.	7.8x	7.4x	0.0%	4.7%
BY	Byline Bancorp, Inc.	7.8x	8.2x	1.7%	-4.8%
LC	LendingClub Corporation	22.6x	37.2x	0.0%	-39.3%
LOB	Live Oak Bancshares, Inc.	24.2x	17.9x	0.3%	35.3%
CASH	Pathward Financial, Inc.	8.3x	7.8x	0.4%	6.3%
SOFI	SoFi Technologies, Inc.	NM	131.6x	0.0%	118.9%
TBBK	The Bancorp, Inc.	12.8x	10.2x	0.0%	26.0%
TFIN	Triumph Financial, Inc.	46.6x	41.6x	0.0%	12.1%
<i>Average</i>		18.6x	32.7x	0.3%	19.9%
<i>Median</i>		12.8x	14.0x	0.0%	9.2%

(1) Source: S&P Capital IQ as of 2/29/2024.

(2) Based upon consensus EPS average estimates.

(3) Most recent quarters dividend annualized.

Why We Believe NewtekOne's Future is Bright

- Business model that projects and delivers high returns
- Acquired and modernized a 59-year old bank that lacked current software, policies, procedures, digital capability, and any scalable capacity for deposits or loans
- Established a new Bank Management Team
- Well-capitalized bank
- Current rate movements in 2023 and yield curve shape were not favorable
- Acquired book of low-risk, low-margin, duration-matched balance sheet
- Registration statement became effective in July of 2023 for holding-company growth
- Alternative lending program growth
- Newtek Advantage[®] development
- Creation of commercial business core deposits will increase margins and lower cost of funds
- Adding higher-margin SBA loans to bank vs. low-margin acquired book of loan business
- Newtek Advantage[®] becomes the gold standard in banking for deposit gathering and generating reoccurring fee income based non-banking revenues
- New hires announced, and will continue to be announced
- Have overcome difficult hurdles and, while there are a few left, the end zone is in near sight

Investment Summary

- Financial holding company capital ratios remain strong
- Newtek Bank profitability ratios
 - FY 2023 ROAA: 5.73%
 - FY 2023 ROTCE: 35.7%
 - FY 2023 Efficiency ratio: 49.9%
- NewtekOne profitability ratios
 - FY 2023 ROAA: 3.59%
 - FY 2023 ROTCE: 27.6%
 - FY 2023 Efficiency ratio: 76.3%
- 2023 EPS of \$1.89 per basic common share and \$1.88 per diluted common share
- 2024 EPS projection of \$1.80 to \$2.00 per basic and diluted common share
- Historically, our second half of the year results have exceeded the first half of the year's results
- Fourth quarterly dividend declaration as a financial holding company of \$0.18 per share paid on January 12, 2024 to shareholders of record December 29, 2023
- Current dividend yield of 6.4% as of March 1, 2024
- A growth-oriented differentiated technology-enabled business solutions company that is also a depository

Note: Reconciliations of non-GAAP financial measures to the most comparable GAAP measures are set forth on pages 32 and 33.

Appendix

Consolidated Statements of Operations

NewtekOne, Inc. and Subsidiaries

(in thousands except per share data amounts)

	Year Ended December 31,		
	2023	2022	2021
	Financial Holding Company	Investment Company ¹	Investment Company ¹
Interest income			
Debt securities available-for-sale	\$1,518	\$0	\$0
Loans and fees on loans	84,001	35,696	25,951
Loans and fees on loans - PPP loans	0	0	49,989
Interest from affiliates	0	2,921	3,026
Other interest earning assets	8,854	0	0
Total interest income	94,373	38,617	78,966
Interest expense			
Deposits	15,849	0	0
Notes and securitizations	40,217	21,780	18,591
Bank and FHLB borrowings	11,673	3,998	1,536
Notes payable related party	0	547	388
Total interest expense	67,739	26,325	20,515
Net interest income	26,634	12,292	58,451
Provision for credit losses	11,704	0	0
Net interest income after provision for credit losses	14,930	12,292	58,451
Noninterest income			
Dividend income	1,757	24,657	9,896
Loan servicing asset revaluation	(3,549)	(10,095)	(6,778)
Servicing income	18,289	13,698	11,307
Net gains on sales of loans	50,734	56,901	53,113
Net gain (loss) on loans under the fair value option	18,008	(26,504)	11,477
Technology and IT support income	24,916	0	0
Electronic payment processing income	42,855	0	0
Other noninterest income	23,762	34,221	10,295
Total noninterest income	176,772	92,878	89,310
Noninterest expense			
Salaries and employee benefits expense	65,708	20,186	17,866
Technology services expense	14,272	0	0
Electronic payment processing expense	18,327	0	0
Professional services expense	13,077	7,134	5,610
Other loan origination and maintenance expense	9,433	30,746	29,506
Depreciation and amortization	2,884	239	304
Loss on extinguishment of debt	271	417	1,552
Other general and administrative costs	22,357	7,673	7,454
Total noninterest expense	146,329	66,395	62,292
Net income before taxes	45,373	38,775	85,469
Income tax expense (benefit)	(1,956)	6,464	1,327
Net income	47,329	32,311	84,142
Dividends to preferred shareholders	(1,454)	0	0
Net income available to common shareholders	\$45,875	\$32,311	\$84,142
Earnings per share:			
Basic	\$1.89	\$1.34	\$3.69
Diluted	\$1.88	\$1.34	\$3.69

The Company's financial statements as of December 31, 2022, are, and in previous years were, presented and accounted for under the specialized method of accounting applicable to investment companies and excluded many of our consolidated subsidiaries, which were previously treated as portfolio company investments.

Consolidated Statements of Operations

NewtekOne, Inc. and Subsidiaries

(in thousands except per share data amounts)

	Three Months Ended December 31,		
	2023	2022	2021
	Financial Holding Company	Investment Company ¹	Investment Company ¹
Interest income			
Debt securities available-for-sale	\$435	\$0	\$0
Loans and fees on loans	23,660	11,781	6,623
Loans and fees on loans - PPP loans	0	0	0
Interest from affiliates	0	834	895
Other interest earning assets	2,274	0	54
Total interest income	26,369	12,615	7,572
Interest expense			
Deposits	5,111	0	0
Notes and securitizations	11,411	7,348	4,791
Bank and FHLB borrowings	1,546	1,303	394
Notes payable related party	0	262	112
Total interest expense	18,068	8,913	5,297
Net interest income	8,301	3,702	2,275
Provision for credit losses	4,365	0	0
Net interest income after provision for credit losses	3,936	3,702	2,275
Noninterest income			
Dividend income	360	4,606	9,775
Loan servicing asset revaluation	(1,983)	(6,131)	(3,456)
Servicing income	4,985	3,767	2,961
Net gains on sales of loans	17,252	6,948	15,034
Net gain (loss) on loans under the fair value option	5,420	(14,089)	6,361
Technology and IT support income	6,460	0	0
Electronic payment processing income	10,659	0	0
Other noninterest income	5,954	24,840	4,149
Total noninterest income	49,107	19,941	34,824
Noninterest expense			
Salaries and employee benefits expense	14,535	5,806	5,139
Technology services expense	4,265	0	0
Electronic payment processing expense	4,168	0	0
Professional services expense	3,311	2,812	2,145
Other loan origination and maintenance expense	2,503	8,846	8,122
Depreciation and amortization	613	58	68
Loss on extinguishment of debt	271	0	597
Other general and administrative costs	8,543	2,054	1,791
Total noninterest expense	38,209	19,576	17,862
Net income before taxes	14,834	4,067	19,237
Income tax expense (benefit)	3,985	6,289	(793)
Net income	10,849	(2,222)	20,030
Dividends to preferred shareholders	(405)	0	0
Net income available to common shareholders	\$10,444	(\$2,222)	\$20,030
Earnings per share:			
Basic	\$0.43	(\$0.09)	\$0.84
Diluted	\$0.43	(\$0.09)	\$0.84

The Company's financial statements as of December 31, 2022, are, and in previous years were, presented and accounted for under the specialized method of accounting applicable to investment companies and excluded many of our consolidated subsidiaries, which were previously treated as portfolio company investments.

Reconciliation of GAAP to Non-GAAP Financial Measures-Newtek Bank, N.A.

The information provided below presents a reconciliation of each of our non-GAAP financial measures to the most directly comparable GAAP financial measure.

Newtek Bank, NA <i>(in thousands)</i>	As of and for the three months ended 31-Dec-23	As of and for the year ended 31-Dec-23
Return on Average Tangible Common Equity		
Numerator: Net Income (Loss) (GAAP)	\$15,064	\$28,127
Average Total Shareholders' Equity (non-GAAP)	92,201	81,043
Deduct: Average Goodwill and Intangibles (non-GAAP)	2,099	2,157
Denominator: Tangible Average Common Equity (non-GAAP)	\$90,102	\$78,886
<i>Return on Average Tangible Common Equity (non-GAAP)</i>	66.30%	35.70%
Return on Average Assets		
Numerator: Net Income (GAAP)	\$15,064	\$28,127
Denominator: Average Assets (non-GAAP)	601,130	490,604
<i>Return on Average Assets (non-GAAP)</i>	9.90%	5.70%
Efficiency Ratio		
Numerator: Non-Interest Expense (GAAP)	\$12,796	\$51,378
Net Interest Income (GAAP)	6,589	17,461
Non-Interest Income (GAAP)	30,621	85,580
Denominator: Total Income	\$37,210	\$103,041
<i>Efficiency Ratio (non-GAAP)</i>	34.40%	49.90%

Reconciliation of GAAP to Non-GAAP Financial Measures-NewtekOne, Inc.

The information provided below presents a reconciliation of each of our non-GAAP financial measures to the most directly comparable GAAP financial measure.

NewtekOne Inc. <i>(dollars and number of shares in thousands)</i>	As of and for the three months ended 31-Dec-23	As of and for the year ended 31-Dec-23
Return on Average Tangible Common Equity		
Numerator: Net Income (GAAP)	\$10,849	\$47,329
Average Total Shareholders' Equity (non-GAAP)	218,387	222,624
Deduct: Preferred Stock (GAAP)	19,738	19,738
Average Common Shareholders' Equity (non-GAAP)	198,649	202,886
Deduct: Average Goodwill and Intangibles (non-GAAP)	31,250	31,706
Denominator: Average Tangible Common Equity (non-GAAP)	\$167,399	\$171,180
<i>Return on Tangible Common Equity (non-GAAP)</i>	25.70%	27.60%
Return on Average Assets		
Numerator: Net Income (GAAP)	\$10,849	\$47,329
Denominator: Average Assets (non-GAAP)	1,382,690	1,316,923
<i>Return on Average Assets (non-GAAP)</i>	3.10%	3.60%
Efficiency Ratio		
Numerator: Non-Interest Expense (GAAP)	\$38,209	\$146,329
Net Interest Income (GAAP)	8,301	14,930
Non-Interest Income (GAAP)	49,107	176,772
Denominator: Total Income	\$57,408	\$191,702
<i>Efficiency Ratio (non-GAAP)</i>	66.60%	76.30%
Tangible Book Value Per Share		
Total Shareholders' Equity (GAAP)	\$249,046	\$249,046
Deduct: Goodwill and Intangibles (GAAP)	30,120	30,120
Numerator: Total Tangible Book Value (non-GAAP)	\$218,926	\$218,926
Denominator: Total Number of Shares Outstanding	24,680	24,680
<i>Tangible Book Value Per Share (non-GAAP)</i>	\$8.87	\$8.87
Tangible Book Value Per Common Share		
Total Tangible Book Value (non-GAAP)	\$218,926	\$218,926
Deduct: Preferred Stock (GAAP)	19,738	19,738
Numerator: Tangible Book Value Per Common Share (non-GAAP)	\$199,188	\$199,188
Denominator: Total Number of Shares Outstanding	24,680	24,680
<i>Tangible Book Value Per Common Share (non-GAAP)</i>	\$8.07	\$8.07

Summary of Revisions to Prior-Period Financial Statements

NewtekOne, Inc. and Subsidiaries
Consolidated Statements of Financial Condition (Unaudited)
As of the Period Ended:

<i>(in thousands)</i>	September 30, 2023			June 30, 2023			March 31, 2023		
	As Reported ¹	Adjustment	As Adjusted	As Reported ¹	Adjustment	As Adjusted	As Reported ¹	Adjustment	As Adjusted
Assets									
Total cash and cash equivalents	\$ 223,692	\$ —	\$ 223,692	\$ 256,333	\$ —	\$ 256,333	\$ 197,143	\$ —	\$ 197,143
Goodwill & intangibles	27,157	4,154	31,311	27,595	4,072	31,667	28,101	3,990	32,091
Servicing assets	36,774	1,517	38,291	35,754	484	36,238	33,351	328	33,679
Loans held for investment, at amortized cost, net ¹	272,725	653	273,378	213,501	294	213,795	164,639	9	164,648
Deferred tax asset, net	8,656	7,599	16,255	4,622	8,005	12,627	4,706	8,120	12,826
Other assets	48,430	1,418	49,848	46,670	1,541	48,211	49,850	1,629	51,479
All other assets	760,720	—	760,720	852,150	—	852,150	767,933	—	767,933
Total assets	\$ 1,378,154	\$ 15,341	\$ 1,393,495	\$ 1,436,625	\$ 14,396	\$ 1,451,021	\$ 1,245,723	\$ 14,076	\$ 1,259,799
Liabilities and Shareholders' Equity									
Liabilities:									
Deposits	432,559	—	432,559	447,357	—	447,357	247,574	—	247,574
Accounts payable, accrued expenses and other liabilities	36,509	162	36,671	37,512	162	37,674	44,912	—	44,912
All other liabilities	682,063	—	682,063	730,541	—	730,541	734,727	—	734,727
Total liabilities	\$ 1,151,131	\$ 162	\$ 1,151,293	\$ 1,215,410	\$ 162	\$ 1,215,572	\$ 1,027,213	\$ —	\$ 1,027,213
Total shareholders' equity	227,023	15,179	242,202	221,215	14,234	235,449	218,510	14,076	232,586
Total Liabilities & Shareholders Equity	\$ 1,378,154	\$ 15,341	\$ 1,393,495	\$ 1,436,625	\$ 14,396	\$ 1,451,021	\$ 1,245,723	\$ 14,076	\$ 1,259,799

¹Certain amounts labeled "As Reported" have been reclassified to conform to current period presentation.

NewtekOne, Inc. and Subsidiaries
Consolidated Statement of Income (Unaudited)
(In Thousands, except for Per Share Data)

	For the nine months ended			For the six months ended			For the three months ended		
	September 30, 2023			June 30, 2023			March 31, 2023		
	As Reported ¹	Adjustment	As Adjusted	As Reported ¹	Adjustment	As Adjusted	As Reported ¹	Adjustment	As Adjusted
Net interest income	\$ 18,333	\$ —	\$ 18,333	\$ 10,256	\$ —	\$ 10,256	\$ 4,583	\$ —	\$ 4,583
Provision for credit losses	7,339	—	7,339	3,893	—	3,893	1,318	—	1,318
Noninterest income	132,113	(4,448)	127,665	89,215	(2,574)	86,641	42,787	(431)	42,356
Noninterest expense	113,891	(5,771)	108,120	79,346	(2,546)	76,800	39,197	(174)	39,023
Income tax expense (benefit)	671	(6,612)	(5,941)	(2,339)	(7,018)	(9,357)	(4,863)	(7,089)	(11,952)
Net income	\$ 28,545	\$ 7,935	\$ 36,480	\$ 18,571	\$ 6,990	\$ 25,561	\$ 11,718	\$ 6,832	\$ 18,550
Weighted average number of shares outstanding									
Basic	24,626	(371)	24,255	24,608	(364)	24,244	24,609	(386)	24,223
Diluted	24,626	(290)	24,336	25,423	(1,125)	24,298	25,237	(356)	24,881
Earnings (loss) per common share									
Basic	\$ 1.10	\$ 0.36	\$ 1.46	\$ 0.72	\$ 0.31	\$ 1.03	\$ 0.46	\$ 0.30	\$ 0.76
Diluted	\$ 1.10	\$ 0.36	\$ 1.46	\$ 0.72	\$ 0.31	\$ 1.03	\$ 0.46	\$ 0.28	\$ 0.74

¹Certain amounts labeled "As Reported" have been reclassified to conform to current period presentation.

Summary of Revisions to Prior-Period Financial Statements

NewtekOne, Inc. and Subsidiaries
Consolidated Statement of Income (Unaudited)
(In Thousands, except for Per Share Data)

	For the three months ended			For the three months ended			For the three months ended		
	September 30, 2023			June 30, 2023			March 31, 2023		
	As Reported ¹	Adjustment	As Adjusted	As Reported ¹	Adjustment	As Adjusted	As Reported ¹	Adjustment	As Adjusted
Net interest income	\$ 8,077	\$ —	\$ 8,077	\$ 5,673	\$ —	\$ 5,673	\$ 4,583	\$ —	\$ 4,583
Provision for credit losses	3,446	—	3,446	2,575	—	2,575	1,318	—	1,318
Noninterest income	42,900	(1,876)	41,024	46,428	(2,143)	44,285	42,787	(431)	42,356
Noninterest expense	34,545	(3,225)	31,320	40,149	(2,372)	37,777	39,197	(174)	39,023
Income tax expense (benefit)	3,011	405	3,416	2,524	71	2,595	(4,863)	(7,089)	(11,952)
Net income	\$ 9,975	\$ 944	\$ 10,919	\$ 6,853	\$ 158	\$ 7,011	\$ 11,718	\$ 6,832	\$ 18,550
Weighted average number of shares outstanding									
Basic	24,663	(386)	24,277	24,607	(343)	24,264	24,609	(386)	24,223
Diluted	24,663	(250)	24,413	25,588	(1,282)	24,306	25,237	(356)	24,881
Earnings (loss) per common share									
Basic	\$ 0.38	\$ 0.05	\$ 0.43	\$ 0.26	\$ 0.01	\$ 0.27	\$ 0.46	\$ 0.30	\$ 0.76
Diluted	\$ 0.38	\$ 0.05	\$ 0.43	\$ 0.26	\$ 0.01	\$ 0.27	\$ 0.46	\$ 0.28	\$ 0.74

¹Certain amounts labeled "As Reported" have been reclassified to conform to current period presentation.