

NewtekOne®

NASDAQ:NEWT

Newtek Bank, N.A. Increases Client Deposits by 121% Since December 31, 2022

May 1, 2023

BOCA RATON, Fla., May 01, 2023 (GLOBE NEWSWIRE) -- [NewtekOne, Inc.](#) (the "Company") (NASDAQ: NEWT), today announced that its subsidiary Newtek Bank N.A. had an 121% increase in its client deposits to approximately \$310 million year to date through April 28, 2023, compared to \$140 million in client deposits at December 31, 2022. The Company acquired the National Bank of New York City, and renamed it Newtek Bank, N.A., on January 6, 2023. The amount of uninsured client deposits was approximately 5.5% as of March 31, 2023.

Barry Sloane, President, Chairman and CEO commented, "We are very pleased to be able to report such a strong increase in client deposits since December 31, 2022. Following the acquisition, Newtek Bank rolled out its digital account-opening ("DAO") solution, which is part of the [Apiture](#) Digital Banking Platform, one of Newtek Bank's technology solutions providers. After making some adjustments to the Apiture DAO solution, Newtek Bank began to aggressively promote digital account opening and its online banking platform beginning in March. From March 2023 through April 28, 2023, of the \$170 million increase in client deposits, in excess of \$115 million emanated from the digital platform. We are incredibly appreciative of the efforts by Apiture, making Newtek Bank a true technology-enabled bank."

Mr. Sloane continued, "In addition, in April 2023, Newtek Bank began funding the SBA 7(a) loan origination pipeline transferred from Newtek Small Business Finance, LLC ("NSBF"), the Company's non-bank SBA 7(a) lender. As we announced on Friday of last week, Newtek Bank has also been granted PLP status, and will be able to originate SBA 7(a) loans under PLP-delegated authority without having to go to the SBA for approvals. This delegated authority is an honor granted only to the most experienced SBA loan originators and underwriters. NSBF will remain a non-bank subsidiary of the Company while NSBF continues to service and wind-down its legacy SBA 7(a) loan portfolio in securitization structures. Furthermore, Newtek Bank intends to utilize its client deposits to fund SBA 7(a) loans, SBA 504 loans, conforming commercial and industrial loans, and conforming investor-based commercial real estate loans."

Mr. Sloane further commented, "We are thrilled that Newtek Bank's deposit gathering practice is flourishing in an industry that is highly competitive and fraught with volatility, and that we have been able to deliver these results that exceeded our expectations within our unique business model without the use of brokers and branches. Indeed, we believe we have been able to combine a mixture of technological competency and remote staffing on camera to deliver the highest levels of customer service and account openings. We do realize that launching a DAO software and operational platform does take time to polish and perfect, but we believe it will be the bedrock of a deposit-gathering methodology that will materially reduce the cost to fund our business compared to our former BDC capital-raising structure. We are pleased that during a two-month window we were able to gain over 3,300 new client relationships. We plan to demonstrate during our upcoming conference call how cost-effective funding for certain loan programs out of a nationally chartered bank can accrue major benefits to all Newtek stakeholders, including its clients and shareholders on go-forward basis."

Mr. Sloane concluded, "Important to note that NewtekOne's management team and board recognizes that the banking industry may have changed due to technological advances and the fact that we are no longer in a decade-long low interest rate environment resulting from the 2008/2009 credit crisis and pandemic. Our business model is reliant upon paying a market rate for client deposits, without a portfolio reliant on fixed-rate securities, which portfolio can generate attractive net interest margin's based upon our history of being able to originate loans SBA 7(a) at attractive market rates at Prime plus 3.00%, which quarterly adjust, as well as the ability to generate return on average assets and return on tangible common equity that we believe can exceed metrics that banks typically achieve. We look forward to reporting our first quarter 2023 financial results as a financial holding company and giving analysts the initial base case marker to develop their own investment thesis and models on what NewtekOne and Newtek Bank can look like over the course of time. As a reminder, we will release our first quarter 2023 results on May 8, 2023 after the market closes and hold a conference call to discuss the results the following day at 8:30 am ET, which can be accessed through <http://investor.newtekbusinessservices.com/events-and-presentations>."

[NewtekOne®](#), Your Business Solutions Company®, is a financial holding company, which along with its bank and non-bank consolidated subsidiaries, provides a wide range of business and financial solutions under the Newtek® brand to the small- and medium-sized business ("SMB") market. Since 1999, NewtekOne has provided state-of-the-art, cost-efficient products and services and efficient business strategies to SMB relationships across all 50 states to help them grow their sales, control their expenses and reduce their risk.

NewtekOne's and its subsidiaries' business and financial solutions include: banking (Newtek Bank, N.A.), [Business Lending](#), [SBA Lending Solutions](#), [Electronic Payment Processing](#), [Technology Solutions \(Cloud Computing, Data Backup, Storage and Retrieval, IT Consulting\)](#), [eCommerce](#), [Accounts Receivable Financing & Inventory Financing](#), [Insurance Solutions](#), [Web Services](#), and [Payroll and Benefits Solutions](#).

[Newtek®](#), NewtekOne®, Newtek Bank, National Association™, Your Business Solutions Company® and One Solution for All Your Business Needs® are registered trademarks of NewtekOne, Inc.

Note Regarding Forward-Looking Statements

Certain statements in this press release are "forward-looking statements" within the meaning of the rules and regulations of the Private Securities

Litigation and Reform Act of 1995. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. These statements are not guarantees of future results or occurrences. Actual results and capital and other financial conditions may differ materially from those included in these statements due to a variety of factors. Factors that could cause NewtekOne, Inc.'s actual results to differ materially from those described in the forward-looking statements can be found in NewtekOne, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities and Exchange Commission and are available on NewtekOne, Inc'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, Inc. speak only as to the date they are made, and NewtekOne, Inc. 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.

SOURCE: NewtekOne, Inc.

Investor Relations & Public Relations

Contact: Jayne Cavuoto

Telephone: (212) 273-8179 / jcavuoto@newtekone.com