

NewtekOne®

NASDAQ:NEWT

Newtek Small Business Loan Trust Securitizations Ratings Upgraded by S&P Global Ratings

January 18, 2024

BOCA RATON, Fla., Jan. 18, 2024 (GLOBE NEWSWIRE) -- [NewtekOne, Inc.](#) (the "Company") (NASDAQ: NEWT), announced today that S&P Global Ratings raised its ratings on a total of four classes of notes issued by Newtek Small Business Loan Trusts 2018-1 and 2019-1. The Newtek Small Business Loan Trust 2018-1, Class A Notes were raised to "A+ (sf)" from "A (sf)" and the Class B Notes were raised to "BBB (sf)" from "BBB- (sf)." In addition, the Newtek Small Business Loan Trust 2019-1 Class A Notes were raised to "A+ (sf)" from "A (sf)" and the Class B Notes were raised to "BBB (sf)" from "BBB- (sf)." According to S&P Global Ratings, the ratings upgrades reflect their view of the transactions' stable performance, the increasing level of credit enhancement as well as the structural features of the transactions. These loan trusts are asset-backed securities transactions backed by amortizing pools of unguaranteed interests in SBA 7(a) loans originated by the Company's subsidiary.

Barry Sloane, Chairman, President and Chief Executive Officer said, "We are pleased that S&P Global Ratings has upgraded their investment-grade ratings on two of the Company's most seasoned securitizations outstanding. The loans in these securitizations were underwritten prior to COVID-19 and experienced the effects of the pandemic plus the interest rate shocks of 2022 and 2023, and still outperformed credit expectations. As an organization that was a non-bank lender until 2023, Newtek used securitizations to fund its SBA 7(a) origination and portfolio activity. We believe that the 2018-1 and 2019-1 vintage transactions, that are nearing their 20% clean-up calls and are secured by slightly under 25% of the outstanding balances of Newtek Small Business Finance's portfolio, are representative of the quality of Newtek's unique method of loan acquisition, underwriting, and portfolio management."

Mr. Sloane continued, "In addition, the Company resources that are used to originate SBA 7(a) loans are the same resources that we use to originate loans in our alternative loan financing program (previously referred to as non-conforming loans), and our bank loans that are not part of a government-lending program. Today, our alternative financing loan program, financed through joint ventures and securitizations, has not experienced a single charge off since we began originating these loans in 2019. We have also had a similar type of charge-off experience in our SBA 504 program, which is also now funded at Newtek Bank, N.A."

Mr. Sloane concluded, "During our year-end earnings conference call, we look forward to providing an update on our lending platform and credit performance, including level of reserves, as well as the growing revenue and income streams for both Newtek Bank and NewtekOne."

About NewtekOne, Inc.

[NewtekOne®](#), Your Business Solutions Company®, is a financial holding company, which along with its bank and non-bank consolidated subsidiaries, (collectively, "NewtekOne"), 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](#).

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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 and are subject to change, possibly materially. See "Note Regarding Forward-Looking Statements" and the sections entitled "Risk Factors" in the Company's 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.

SOURCE: NewtekOne, Inc.

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